



National Association of Housing and Redevelopment Officials

630 Eye Street NW, Washington DC 20001-3736
(202) 289-3500 Toll Free 1 (877) 866-2476 Fax (202) 289-4961

VIA ELECTRONIC MAIL

June 12, 2006

Office of Thrift Supervision
Chief Counsel's Office
1700 G St NW
Washington, DC 20552

Re: Docket No. 2006-17

To Whom It May Concern:

On behalf of the National Association of Housing and Redevelopment Officials (NAHRO), I am pleased to submit written comments in response to your agency's April 12, 2006 proposal to revise guidance related to the Community Reinvestment Act.

A 501(c)(3) membership association, NAHRO represents the interests of over 3000 housing authorities, community development departments, and redevelopment agencies, as well as over 18,000 individual members and associates working in the housing and community development industry. NAHRO's extensive and diverse membership allows us to serve as the leading housing and community development advocate for the provision of adequate and affordable housing and strong, viable communities for all Americans—particularly those with low- and moderate-incomes.

Regarding the April 12, 2006 proposal, NAHRO appreciates the emphasis that the proposed questions and answers place on addressing the community revitalization needs of designated disaster areas. We also commend your office's recognition that in the case of those Gulf Coast areas impacted by the 2005 hurricane season, the 36 month period envisioned for consideration of revitalization and stabilization activities will need to be extended considerably. As your proposal suggests, this provision reflects the need for "long-term involvement by financial institutions in helping to address the widespread devastation."

Achieving uniformity with the definition of "community development" employed by the OCC, FDIC, and the Federal Reserve Board is also a welcome move. NAHRO remains concerned, however, that the OTS has thus far resisted calls to unify fully its rules with those of the other

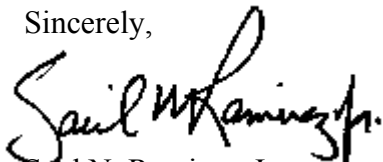
Donald J Cameron, SPHM, President; **Renée Rooker**, SPHM, Senior Vice President; **Bill Jacobs**, PHM, Vice President-Professional Development; **Montez C. Martin, Jr.**, Vice President-Community Revitalization & Development; **Maggie Lamont**, Vice President-Member Services; **Carlos A. Sanchez**, Vice President-Housing; **Richard S. Lujan**, Vice President-Commissioners; **Akinola Popoola**, PHM, Vice President-International; **Saul N. Ramirez, Jr.**, Executive Director

three agencies. Of particular concern is the failure of the OTS to adopt the intermediate small bank test, an important action taken by the other agencies to ensure that banks with between \$250 million and \$1 billion remain accountable for pursuing meaningful community development within their communities. We join with others in noting that the joint final rule adopted by the other agencies also makes clear that some lending practices can count against an institution in a CRA examination.

By bringing the definition of “community development” in line with the other agencies, the OTS has signaled an entirely appropriate reluctance to disproportionately reward savings associations for activities that provide only a minimal benefit to low-and moderate-income persons, especially in those instances in which a savings association has fallen short of its responsibility to respond to the needs of low- and moderate-income neighborhoods. It is NAHRO’s hope that your agency’s recent actions signify growing momentum in favor of attaining greater conformity with the joint rule employed by the OCC, Board, and FDIC. It is our belief that moving in this direction would best ensure that the needs of low-and moderate-income communities are met while still allowing for banks and savings associations to enjoy greater flexibility.

Thank you for the opportunity to submit these comments on behalf of NAHRO. If I can be of further assistance, please feel free to contact me.

Sincerely,

A handwritten signature in black ink, appearing to read "Saul N. Ramirez, Jr.", written in a cursive style.

Saul N. Ramirez, Jr.
Executive Director