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June 12, 2006

Regulation Comments  
Chief Counsel's Office, Office of Thrift Supervision  
1700 G Street NW  
Washington, DC 20552

RE: 2006-17

To Whom It May Concern:

I am writing in response to solicited comment on codifying the new definition of Community Development affecting disaster and rural areas from the Office of Thrift Supervision (OTS). The Community Reinvestment Act (CRA) has been vital to building emerging markets nationwide. Lending and equity investing in underserved communities have already spurred economic growth and demand, thereby increasing opportunities for organizations like the Low Income Investment Fund (LIIF) to make more loans and sell more services.

LIIF is a nonprofit community development financial institution (CDFI) dedicated to alleviating poverty and helping families attain economic self-sufficiency. To achieve this goal, LIIF provides capital and technical assistance to help increase the supply of affordable housing, child care and education and support other community-building initiatives. Over its 21-year history, LIIF has provided approximately \$452 million in financing and technical assistance for projects benefiting low income communities, leveraging investments of over \$4.2 billion: a seven to one ratio. These projects have made a significant difference in the lives of low income families, supporting:

- 50,800 units of low income and special needs housing (75 percent of which serve very low income populations);
- 27,500 child care spaces;
- 24,000 spaces in schools for children; and
- Two million square feet of commercial space.

We support the OTS regularizing its definition of community development with that of the OCC, FDIC, and the Federal Reserve. However, we remain very disappointed that the OTS has not yet regularized all of its CRA rules with these other three agencies. The FDIC, the OCC, and the Federal Reserve have jointly issued a final rule that expanded the definition of community development, but also: 1) requires banks with between \$250 million and \$1 billion in assets to support their communities through meaningful services and community development loans and investments; and, 2) reinforces the fact that some lending practices can count against an institution in a CRA exam. The three other agencies' joint rule allows banks more leeway in fulfilling CRA requirements, and ensures that LMI individuals and communities continue to be well served by the banks that operate in their area. We urge the OTS to join the other three agencies in their unified approach.

Sincerely,

Abigail McBride  
Director of Planning, Policy and Development

cc: Judy Kennedy, National Association of Affordable Housing Lenders  
Nancy O. Andrews, President and CEO, LIIF



Low Income  
Investment fund

# FACSIMILE

To: Regulation comments

Fax #: 202-906-6518

From: Low Income Investment Fund

Re: 2006-17

Date: 6/12/06

2 pages  
including cover

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Message:

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