

LUIS V. GUTIERREZ
MEMBER OF CONGRESS
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WASHINGTON, DC 20515
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Congress of the United States
House of Representatives
Washington, DC 20515-1504

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RANKING DEMOCRAT

July 20, 2000

Ms. Jennifer Johnson
Board of Governors of the Federal Reserve System
20th and C Streets, NW
Washington, D.C. 20551

RE: Docket No. R-1069

Dear Ms. Johnson:

I am writing to urge you to make significant changes in the proposed "sunshine" regulations. I do appreciate that the federal banking agencies had a difficult task of developing regulations for a confusing and unnecessary statute. The regulatory agencies have taken steps to reduce burden for local government agencies, neighborhood organizations, banks and other parties interested in community development.

I believe, however, that the sunshine statute strikes at the heart of the Community Reinvestment Act (CRA). The essence of the Community Reinvestment Act is encouraging members of the general public to articulate credit needs and engage in dialogue with banks and federal banking agencies. CRA stimulates collaboration for the purpose of revitalizing inner city and rural communities. The sunshine statute threatens to reverse more than twenty years of progress made possible by partnerships among banks, the public sector and the private sector.

The sunshine statute requires that banks and the public disclose private contracts to federal agencies if the parties to the contract engaged in CRA discussions regarding how to help the bank make more loans and investments in low-and moderate-income communities. As a public official, I am extremely troubled that my constituents have to disclose contracts they have with banks and provide detail on how they spent grant or loan dollars under the contracts. Many private sector organizations will simply do less CRA-related business since they will not want to address the disclosure requirements. The result will be fewer loans and investments reaching the communities I represent.

I urge you to consider regulations to reduce the burden and damage that the "sunshine" provisions of the Gramm-Leach-Bliley Act would cause to revitalization efforts in inner cities and rural communities. Your consideration of this request is greatly appreciated. Please feel free to contact me if I can provide you with any assistance regarding this request.

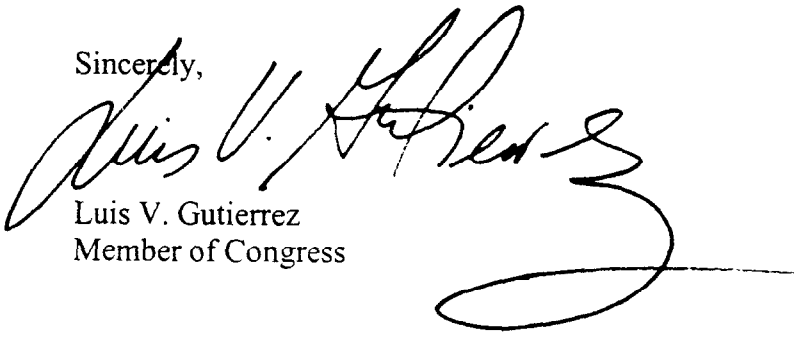
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Sincerely,

A handwritten signature in black ink, appearing to read "Luis V. Gutierrez". The signature is fluid and cursive, with a large loop at the end that extends to the right.

Luis V. Gutierrez
Member of Congress