



**interfaith
housing
delaware, inc.**

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July 27, 2000

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Office of Thrift Supervision
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Washington, DC 20552

Attention: Docket No.2000-44

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As Executive Director of Interfaith Housing Delaware, Inc., the largest non-profit housing developer in Delaware, I urge you to make significant changes in the proposed “sunshine” regulations for the Community Reinvestment Act (CRA).

In Delaware, CRA is absolutely vital to significant continued development of affordable housing for low- and moderate-income families. Interfaith prizes the support we and other non-profits get from our banks. The banks not only provide major funding for development but their employees contribute time and talent to our diverse Board of Directors, its committees and in other important tasks. In its early years, Interfaith Housing Delaware, Inc. was responsible for organizing the Delaware Community Investment Coalition (DCIC). This coalition of financial institutions pools their resources to finance viable low-income housing developments. In truth, the housing development non-profits in Delaware have a strong **working partnership** with our banks. While we continue to identify and seek resolutions for reinvestment opportunities, we are **not antagonists**.

EXECUTIVE DIRECTOR

Sandra Ross Johnson

Delaware has an effective CRA “watchdog” organization – the Delaware Community Reinvestment Act Council. However, its primary thrust has been in forcefully commenting on proposed mergers of Delaware financial institutions with out-of-state organizations to ensure that our desirable working partnerships between the non-profits and the banks continue unchanged after the merger. With DCRAC’s assistance, we have also leveled complaints against predatory lending practices.

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NeighborWorks® Organization

Our brief comments on some specifics of the proposed regulations follow; they are made in the light of Delaware’s current strong working partnerships with our banks:

Disclosure of Private "Contracts": This difficult-to-enforce requirement flies in the face of a cooperative working relationship.

CRA Contacts: Interfaith Housing Delaware, Inc. asks your organization to eliminate all CRA contacts as a trigger for disclosure. Non-profits such as Interfaith Housing Delaware, Inc. are continually challenged in their capacity to meet routine administrative needs while providing services and/or products to the community. To load us with such involved reporting as suggested here greatly diminishes our ability to realize favorable measurable results. We would much prefer that our time be spent developing innovative ways to do more with the contributions we now get and in contacting other financial institutions to get more money.

Material Impact: Interfaith Housing Delaware, Inc. believes that a CRA agreement or contract should not be required to be disclosed unless it pertains to more than one of its markets. From a practical standpoint, the current proposal will result in a flood of letters and written understandings or contracts about loans or grants to non-profits. Also, we suggest any disclosures should occur during the public comment period on a merger application or during the time period when a CRA exam is announced and when the exam occurs. Finally, the regulations should definitely not require disclosure of meetings or contacts that exceed the requirements under the Gramm-Leach-Bliley Act itself.

Means of Disclosure: IHD urges that the use of IRS Form 990 reports be an acceptable form of disclosure. We also support reporting of grants or loans to the non-profits by a brief description of the specific activity in a few sentences.

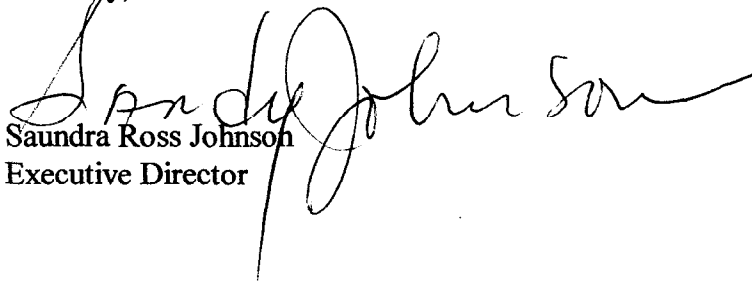
Who Must Report: IHD emphatically agrees that non-governmental parties not be required to submit annual reports in years which they did not receive grants or loans under the agreement. In addition, a flood of unnecessary reports would result from the requirement that a negotiating party report on how the grants and/or loans were used by other parties.

July 27, 2000
Page Three

In conclusion, we believe many of the proposed regulations have been inserted because of a few past problems. Mandating such unproductive and extraordinary requirements appears to us as though the regulators are *"putting a \$500 fence around a \$5 goat."*

Thank you very much for offering this opportunity to share our thoughts with you.

Sincerely,


Sandra Ross Johnson
Executive Director

SRJ:jfb

cc: Rashmi Rangan – DCRAC
Doris Schneider – DCIC
Ken Smith – Executive Director, Delaware Housing Coalition
Chris White – President, Delaware Housing Coalition