

OFFICE OF THRIFT SUPERVISION
DISSEMINATION BRANCH

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FAITHCORP FUND, INC.

*A City of Chicago Housing Resource Center
and*

July 11, 2000 *Micro-Enterprise Fund Lender*

Manager,
Dissemination Branch
Information Management & Services Division
Office of Thrift Supervision
1700 G Street NW
Washington, DC 20552

Attn: Docket No. 2000-44

To Whom It May Concern:

As the program director of a community development organization, I urge you to make significant changes in the proposed Community Reinvestment Act "Sunshine" regulations that threaten investment(s) in my community and punish us for discussing the community's credit needs. We understand that financial institutions have used this regulation as an excuse to not enter into community investment agreements, given the increasing trend of consolidation by our nation's financial institutions, the integrity of the CRA as a voice for underserved communities must be maintained. We would like to recommend that the following changes be implemented immediately:

CRA Contacts

The regulation must cover all CRA discussions and not provide exemptions for bank or regulator initiated contacts. To narrow the definition of CRA contact in any other way could create the perception of favoring certain types of CRA discussions by exempting them from the reporting requirements.

With a broad definition of CRA contact the timeframe must be constrained to ensure that there is truly impact on CRA related performance. Only CRA contacts that occurred twelve months or less prior to a CRA agreement should be create a covered agreement. To cover the situations where a CRA contact is made after a CRA agreement, particularly during CRA examinations and applications for merger or application, the three months after the agreement is reached should also be counted.

Reporting Requirements

To minimize the reporting burden the reporting requirements should be satisfied by existing reports wherever possible including reports to other funders if the grant is used for the same purpose and, where there is a reporting requirement triggered by multiple small grants, allowing the IRS Form 990 to suffice. A consolidated report should be allowed where an organization has two or more agreements.

We appreciate that the federal banking agencies had a difficult task of developing the regulations for a confusing statute and respect the steps that have already been taken to reduce the burden for neighborhood organizations, banks and other parties interested in community development. We urge the federal agencies to adopt our suggestions for streamlining the sunshine regulations and reduce the potential damage they might cause to revitalizing inner city and rural communities.

Sincerely,

Barbara J. Hubbard
Micro-Enterprise Lending and Business Development Program Director

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