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July 21, 2000

Manager, Dissemination Branch  
Information Management and Services Division  
Office of Thrift Supervision  
1700 G Street, N.W.  
Washington, DC 20552

Dear Sir or Madam:

Re: Docket No. 2000-44, Disclosure and Reporting of CRA-Related Agreements;  
Proposed Rule

This letter transmits the public comments of the National Housing Conference.

The National Housing Conference (NHC) is a coalition of affordable housing and community development experts from the public and private sectors. Since 1931, NHC has been an essential source of broad, nonpartisan information on housing policy issues.

NHC urges that significant changes be made to the proposed rule implementing Section 711, CRA Sunshine Requirements, of the recently enacted Gramm-Leach-Bliley Act. NHC believes that the collaboration between insured depository institutions and "nongovernmental entities" (NGEs) encouraged by CRA is essential to the revitalization of inner city neighborhoods and rural communities. Therefore, we are concerned that the broad reporting and disclosure requirements of the proposed rule could place a large and costly regulatory burden on insured depository institutions and the NGEs that do business with them. Principal among our concerns are the following:

- Definition of covered agreements;
- Scope and definition CRA contact;
- Disclosure requirements; and
- Confidentiality protection.

Each of these major concerns is discussed in detail below.

#### **Definition of Covered Agreements**

The proposed rule would require disclosure of any CRA agreement providing "cash payments, grants or other consideration" with an aggregate value of more than \$10,000 in any calendar year, or loans in an aggregate principal amount of more than \$50,000 (with the exception of individual mortgages and certain types of agreements, which are exempt).

We believe that the definition as stated in the proposed rule would result in an enormous reporting and compliance burden for lenders who can be involved in hundreds of CRA-related transactions each year. In our opinion, the definition of covered agreement should be narrowed to encompass only those agreements that would substantively weigh on an institution's CRA rating or merger application.

### **Scope and Definition of CRA Contact**

The rule proposes to require insured depository institutions to disclose CRA-related agreements in which there is contact with an insured depository institution or affiliate regarding the insured depository institution's CRA rating or record of performance.

NHC finds this reporting requirement to be excessive and believes that it would result in insured depository institutions needing to track, disclose, and report on a wide range of "everyday" business transactions, rather than transactions strictly related to the institution's CRA rating or merger application. In our opinion, the reporting burden should be limited to those agreements in which a CRA contact involved a quid pro quo discussion between the insured depository institution and NGE.

### **Disclosure Requirements**

The proposed rule states that an NGE may use a report prepared for other purposes, such as a Federal or state tax return, to fulfill reporting requirements for general-purpose funds.

NHC is concerned that regulators still have the flexibility to impose more detailed and burdensome reporting requirements in the final rule. NHC believes that the final rule should explicitly state that the use of a properly completed IRS Form 990 by NGEs would meet the annual reporting requirements for general-purpose funds.

### **Confidentiality Protection**

The proposed rule expands the amount of information that insured depository institutions will have to disclose to the public. The proposed rule states that the statute's directive requiring that a covered agreement shall be fully disclosed in its entirety and made available to the public "may require disclosure of some type of information that an agency might normally be able to withhold from disclosure" under the Freedom of Information Act.

We do not believe that disclosure of this information should be at the expense of an NGE's privacy. NHC believes that CRA transactions should be afforded the same privacy treatment available to banks and their customers in other transactions.

The National Housing Conference is pleased to be able to submit these comments. If further information would be helpful, please feel free to contact me.

Sincerely,

Robert J. Reid  
Executive Director  
National Housing Conference