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July 20, 2000

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Manager
Dissemination Branch
Information Management and Services Division
Office of Thrift Supervision
1700 G Street, NW
Washington, D.C. 20552
Attention: Docket No. 2000-44

To whom it may concern:

The Community Reinvestment Act (CRA) has been and remains crucial to the economic regeneration of lower-income communities. It is responsible for hundreds of millions of dollars of investment taking place in our communities over the years. Because CRA has spurred such significant investment, the City of Chicago's Department of Housing (DOH), urges you to make changes in the proposed CRA "sunshine" regulations. These regulations threaten to arrest investment in lower-income areas and punish organizations for discussing the credit needs of our communities. It is our understanding that financial institutions have already used the sunshine provisions as an excuse not to enter into CRA agreements. Based on its past success, Chicago cannot afford to lose CRA as an investment tool to revitalize our neighborhoods.

DOH understands that federal banking agencies have a difficult task of developing regulations for a confusing statute. We respect the steps that have already been taken to reduce the burden for neighborhood organizations, banks and other parties that are committed to community development. Yet, the proposed regulations still promise to have a chilling effect on CRA investment. We would, therefore, recommend that the following changes be implemented immediately regarding CRA Contacts and Reporting Requirements.

CRA Contacts

- *The regulation must cover all CRA discussions and not provide exemptions for bank or regulator-initiated contacts. The regulatory agencies appear to be clear that a CRA comment made by direct invitation of the regulators is exempt and a comment made in response to a general invitation of the regulators via public notice is not exempt. All comments to regulators should be treated the same however they are solicited. To narrow the definition of CRA contact in any other way could create the perception that the federal government is favoring certain types of CRA discussions by exempting them from the reporting requirements.*



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- *Groups covered by the sunshine provisions should not be subject to time-unlimited reporting requirements.* The absence of a time limit for what constitutes a covered agreement would be inappropriate since it opens non-governmental entities or persons to an open-ended regulatory burden. Only CRA contacts that occur in the six months before a CRA agreement should trigger reporting of that agreement. In situations where a CRA contact is made after a CRA agreement, particularly during CRA examinations and applications for merger or acquisition, contacts occurring up to three months after an agreement is reached should also be counted as CRA contacts.

Reporting Requirements

- *The reporting requirements should be satisfied by existing reports in order to minimize the reporting burden on community organizations.* Wherever possible, a nonprofit's IRS 990 form should allow sufficient reporting of expenditures under an agreement. This form contains more than enough information to examine major categories of expenditures. A consolidated report should be allowed where an organization has two or more agreements.

In closing, DOH urges the federal agencies responsible for imposing CRA regulations to adopt our suggestions for streamlining the proposed sunshine regulations, thereby reducing the potential damage they may cause to revitalization efforts of our neighborhoods. If you have any questions regarding this letter, please contact Stacie Young at (312) 747-9481.

Thanking you in advance for your consideration, I am,



Richard Monocchio
First Deputy Commissioner