

RURAL DEVELOPMENT & FINANCE CORPORATION

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July 7, 2000

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PRESIDENT/CEO

Manager, Dissemination Branch
Information Management and Services Division
Office of Thrift Supervision
1700 G Street NW
Washington, D.C. 20552

Re: Docket No. 2000-44

I am writing on behalf of Rural Development & Finance Corporation (RDFC) to urge you to make significant changes in the proposed "sunshine" regulations. Established in 1977, RDFC works with community-based development organizations in rural, low-income minority communities to generate and implement enterprise development and home ownership strategies.

The results of these collaborative efforts are the expansion and start-up of small businesses, financing of community facilities and construction or renovation of owner-occupied housing. In 20 years, we have made over 100 loans totaling \$10.5 million that have been used to leverage \$38.5 million of private capital fro rural communities and entrepreneurs. Most importantly, our support of local efforts has resulted in the creation of 2,510 jobs and 338 housing units.

I believe 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. The sunshine statute, by CRA-related speech suspect, threatens to reverse more than twenty years of bank-community partnerships and progress. Under the procedures of general operating Grants, RDFC requests that Federal agencies specify within the final regulation that the use of IRS form 990 is an acceptable means of disclosure. In their preamble to the draft regulation, the federal agencies state that the 990 form provides more than enough details for satisfying disclosure requirements. Codifying the use of 990 forms would simplify requirements and reduce burdens for nonprofit organizations that are very familiar with the 990.

We also feel that the CRA contact portion of the sunshine provision will cause profound damage and hope that federal banking agencies refrain from implementing the CRA contact rules until an opinion from the

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Department of Justice's Office of Legal Counsel comments as to the constitutionality of this language.

As the Federal Reserve Board has discretionary authority to exempt agreements or contracts from disclosure based on CRA contacts, we ask that the Federal Reserve eliminate all non-written CRA contacts as a trigger for disclosure. We believe that oral contact should not be considered CRA contact because of the inability to document and define the contact. Agencies need to have very clear and specific definitions as to what a CRA contact is.

RDFC did not receive a grant or loan as a result of an agreement made when a bank was merging or before a bank's CRA exam. We received the grant or loan because the bank wants to do business in our target communities. For this reason, we feel we should not have to do annual reports on our grants and loans.

We urge the federal banking agencies to adopt our suggestions for streamlining the sunshine regulations.

Sincerely,

A handwritten signature in cursive script, appearing to read "Gloria Guerrero".

Gloria Guerrero
President/CEO

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