Neighborhood Housing of SCRANTON

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July 21, 2000

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

RE: Docket No. 2000-44

Dear Sir/Madam:

I am writing in response to your request for comments on the "Sunshine Provisions" of the Gramm-Leach-Bliley Act.

As Executive Director of Neighborhood Housing of Scranton (NHS), a community-based neighborhood revitalization corporation, I strongly urge you to make significant changes in the proposed regulations.

NHS, like thousands of other non-profit organizations throughout the country, works very hard every day to revitalize low- and moderate-income communities by providing products and services desperately needed.

We have also worked very hard over the past twenty years to nurture partnerships with the financial institutions servicing our assessment area. Building these relationships wasn't always easy since the early years of CRA were often controversial.

I have several areas of concern regarding the proposed Act.

Scope and Definition of "CRA Contact". The rule, as proposed, would require the disclosure of CRA agreements resulting from a CRA contact. CRA contacts, as defined in the draft, occur frequently, if not daily, in the course of community development work. If a contact resulted in funding for a loan program or home ownership counseling program, non-profits and lenders would be required to report almost every transaction. To minimize the reporting burden, I strongly recommend that reporting requirements be limited to only those contacts made to explicitly influence a pending merger/acquisition or CRA rating.

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CRA Agreements. The definition should be narrowed to include only those agreements that would substantially weigh on an institution's application/merger activity or CRA rating as mentioned in the previous section. Allowing a more liberal. All-inclusive definition would create an over-baring compliance and reporting responsibility on both lenders and non-profit organizations. Such a burden would create a setback to CRA's original intent.

Material Impact. The rule, as proposed, specifies "factors" having "material impact" on the regulator's decision on a branching/merger application or assignment of a CRA rating. While the factors are important for the evaluation of a financial institution's performance, it should not be the responsibility of a non-governmental entity to report on all of its activities that regulators have defined as "factors" used in evaluating a bank's performance. The non-governmental entities should only be required to report on an agreement that was made with the explicit intent to influence a CRA rating or during the course of a merger/acquisition with a "quid pro quo" arrangement.

Reporting. Non-governmental entities should have the option to report annually on either a calendar year or a fiscal year. They should not have to report in years that they did not receive funds under a covered agreement.

Having said all of this, I will conclude by saying that I spent 28 years of my life in the field of banking. Much of that time was spent as Chief Loan Officer, Lending Compliance Officer and CRA Officer therefore I been on "both sides" of CRA. I know the importance of partnering in meeting your community revitalization mission and I also know the burdens that can be created by regulatory requirements.

Please give serious thought before enacting rules that could negatively impact the relationships and partnerships that we have worked so hard to establish over the years.

Sincerely,

Wayne G. Beck
Executive Director