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**From:** Hurwitz, Evelyn S on behalf of Public Info  
**Sent:** Friday, July 21, 2000 9:38 AM  
**To:** Gottlieb, Mary H  
**Subject:** FW: Comments on CRA Sunshine Provisions

-----Original Message-----

**From:** Neighbors Helping Neighbors, Inc. [mailto:nhnhelp@erols.com]  
**Sent:** Thursday, July 20, 2000 2:59 PM  
**To:** regs.comments@federalreserve.gov; regscomments@occ.treas.gov; public.info@ots.treas.gov  
**Subject:** Comments on CRA Sunshine Provisions

[the signed original of this letter is being sent by regular mail]

Dear Regulator,

Thank you for giving us the opportunity to comment on the proposed regulations regarding the Sunshine Provision of the Gramm-Leach-Bliley Act. I would like to tell you about how our community organization works, and how our work could be threatened by the undue burden caused by these regulations.

Neighbors Helping Neighbors Inc., founded in 1982, is a community-based financial counseling and economic assistance organization serving homeowners, tenants, landlords and merchants in Sunset Park and neighboring communities (of Brooklyn, NYC). NHN seeks to preserve and enhance the community by promoting the principles of homeownership, affordable and fair housing, community economic development, and self-sufficiency.

- NHN is a member of the New York Mortgage Coalition, and I serve on its policy committee. The Coalition is hailed nationally as a model partnership between lending institutions and community-based organizations. In 1998, through the work of the Coalition, 1,959 people received homeownership counseling and 578 households successfully applied for mortgages; 51% of the applicants were non-white, and 89% had incomes below \$65,000 (120% of median). The Coalition receives funds from ten major banks and passes on funds, in the form of unrestricted grants and fees, to eight non-profit organizations who help low- and moderate-income households become homeowners. If the proposed Sunshine Provision would expose members of the policy committee to onerous reporting requirements, then it may become difficult to maintain a community voice in this partnership. If disclosure requirements greatly increase the complexity of managing the Coalition, it may simply dissolve.
- NHN is contracted by the City of NY to provide technical assistance to the 40-block long shopping street in our community (5th Avenue between Flatbush Avenue and 25th Street). We frequently ask banks to support our efforts to make this area a good place to do business, shop, work and live. For example, we have requested grants to pay for graffiti removal, held workshops at bank branches, and recruited bank personnel to serve on committees. The major banks have each volunteered such contributions. We know that a small bank, whose only branch is located on this commercial street, has consistently received unsatisfactory CRA ratings. It is obvious that both the community and this bank could benefit if this bank would

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take an active role in the revitalization efforts that NHN is coordinating. However, the Sunshine Provision makes us hesitant to approach this bank to develop a new relationship.

- As a member of the Association for Neighborhood and Housing Development, I was recently invited to join a group meeting with representatives of North Fork Bancorp. They informed our group that North Fork includes community work in the job descriptions of all branch personnel, rather than segregating it in a special division. North Fork does not currently operate in NHN's community. Under the Sunshine Provision, will my participation in this group meeting be considered a "CRA contact"? Until January 2000, Dime Bancorp was NHN's landlord. If North Fork had succeeded in its bid to buy Dime, would our below-market-rate lease have been considered a "CRA agreement"?
- NHN is a member of the NeighborWorks Network, founded by the federally chartered Neighborhood Reinvestment Corporation. A condition of membership in this network is that our Board of Directors include representatives of the banking industry and local government as well as community residents. At our Board meetings, the bankers sometimes provide background information about banking policies, operations or community activities. Under the Sunshine Provision, could our Board meetings be considered "CRA contacts"? Would our Board members be personally exposed if they have dealings with the represented banks in other arenas?

NHN currently has four full-time and one part time employees, including myself. We do not have any clerical support or administrative assistance - as executive director, I make my own photocopies and mail my own letters. Reporting already takes a significant amount of my time away from quality control, program development and fundraising. Our very simple fiscal structure is maintained by an independent accountant who visits the office twice each month. Over half of NHN's annual revenue comes in the form of unrestricted grants and contributions. If the Sunshine Provisions imply that all revenue from banks be treated as restricted revenue requiring expense itemization, then NHN's accounting costs will increase. A smaller portion of the banks' contributions will go to direct community service. This could make both the banks and the communities see us as an inefficient service delivery mechanism.

Many of the banks in New York City have integrated CRA principles into their daily operations and see community investment as good business. Our concern is that CRA regulations could disrupt the mutually positive relationships that have been respectfully nurtured between banks and communities. Thank you for considering our comments.

Sincerely,

Lisa Nicolle Grist, Executive Director  
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cc: Senator Charles Schumer

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