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# COALITION FOR CONSUMER RIGHTS

A CENTER FOR PUBLIC INTEREST RESEARCH AND EDUCATION

July 12, 2000

Manager  
Dissemination Branch  
Information Management & Services Division  
Office of Thrift Supervision  
1700 G Street NW  
Washington, DC 20552  
Attention: Docket # 2000-44

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DISSEMINATION  
OFFICE OF THRIFT SUPERVISION

Dear Manager:

I'm writing from the Coalition for Consumer Rights, a center for public interest research and education. I urge you to make significant changes in the proposed Community Reinvestment Act so-called "sunshine" regulations. You may be aware these regulations threaten investment in lower- income areas and seek to punish groups for discussing the credit needs of our communities. Already financial institutions have used the sunshine provisions as an excuse not to enter into CRA agreements. CRA is crucial to the economic regeneration of lower-income communities and the new regulations must not be allowed to hinder CRA's impact. We would, therefore like to recommend the following changes to be implemented at once.

The regulation must cover all the CRA discussions and not provide any exemptions for bank or regulator initiated contacts. 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. In addition, groups covered by the sunshine provisions should not be subject to time-unlimited reporting requirements. Only CRA contacts that occur in the six months before a CRA agreement or up to three months after an agreement should trigger reporting of that agreement.

First and foremost to minimize the reporting burden on community organizations, the requirements should be satisfied by existing reports. Wherever possible, a nonprofit's IRS form 990 should allow enough information to examine major categories of expenditures under this agreement. A consolidated report should be allowed where an organization has two or more agreements.

In closing, we understand that the federal banking agencies have a tremendous 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. We urge these federal agencies to adopt our recommendations for streamlining the "sunshine" regulations and thereby reduce the potential damage they may cause to revitalizing inner city and rural communities.

Sincerely,

Nancy A. Cowles  
Executive Director

