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UNITED TENANTS OF ALBANY



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ALBANY, NEW YORK 12207



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July 18, 2000

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

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DISSEMINATION BRANCH

Dear Bank Regulator:

The United Tenants of Albany urges bank regulators to make significant changes in the proposed Community Reinvestment Act "sunshine" regulations. Instead of clarifying CRA as bank regulators have done over the past two decades the sunshine statute is adding considerable confusion to the process of encouraging community reinvestment.

The sunshine statute requirements for reporting by non-profit organizations engaged in bank supported community improvement efforts are both onerous and unnecessary. It is contrary to the CRA's intent and spirit of stimulating interactions between banks and community based entities that often result in better working relationships and community development progress.

A major problem of the sunshine statute is the "CRA contact" provision that sets up excessively detailed reporting obligations for an extremely wide array of responses that could follow a basic dialogue between a community based entity and a lending institution. The negative presumptions underlying the CRA contact provision of the sunshine statute are so broad and potentially destructive that the statute should be reviewed by the Justice Department regarding constitutionality issues before bank regulators implement any CRA contact rules.

Purportedly the sunshine statute is to determine if there are unfair or illegal maneuverings occurring as a result of a CRA challenge or threatened challenge by community based entities. If so a more reasonable approach would be to require disclosure of agreements or contracts concluded only during the public comment period on a merger application or during the time period when a CRA exam is announced and carried out.

Unless it is more realistically limited the open ended reporting requirement currently under consideration will result not only in enormous burdens on community based entities to report and bank regulators to evaluate excessive details about any activity that might be construed as CRA related but also generate much greater frustration and hostility in the general public towards banks, bank regulators and Congress.

Given the massive amount and wide spectrum of types of information that is being proposed for evaluation under the sunshine statue it would be both logical and more manageable to specify use of the IRS Form 990 as the means of disclosure for community based entities. Since the IRS Form 990 is a widely accepted and proven format for financial reporting its use as a standard reporting form for the sunshine statue would be helpful to both bank regulators and community based entities.

The proposed regulation for implementation of the sunshine statue divert time and resources away from the important community development work carried out in partnership between banks and community based entities. Excessive reporting and evaluation requirements also undermine the valuable role that bank regulators perform as watchdogs of our financial system. Unfortunately, the real result of the sunshine statue will be to hinder the competition between banks that bank regulators are keen to protect as well as dampen the positive working relationships that have been developed through two decades of CRA activities.

Sincerely,

A handwritten signature in cursive script that reads "Roger Markovics". The signature is written in dark ink and is positioned above the typed name.

Roger Markovics
Co-Director
United Tenants of Albany