

From: Hurwitz, Evelyn S on behalf of Public Info
Sent: Thursday, July 20, 2000 9:39 AM
To: Gottlieb, Mary H
Subject: FW: Comment on moonshine regulations

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

From: Hubert Van Tol [mailto:hvantol@centurytel.net]
Sent: Thursday, July 20, 2000 8:25 AM
To: public.info@ots.treas.gov
Subject: Comment on moonshine regulations

Hubert Van Tol
President
Bank Watchers
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Sparta, WI 54656
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July 20, 2000

Manager
Dissemination Branch
Information Management & Services Division
Office of Thrift Supervision
1700 G Street NW
Washington DC 20552
Attention: Docket No. 2000-44

To Whom it May Concern:

As the president of Bank Watchers, I urge you to rethink the proposed "sunshine" regulations. In attempting to implement these provisions of the financial reform law, the banking agencies have in fact worsened the way in which this law abuses the First Amendment of the Constitution.

Being able to speak to our government is a fundamental right of Americans. This law which imposes special reporting requirement on groups which comment to the regulators about the CRA performance of banks strikes a blow against the Constitutional guarantee of free speech.

There may well be a legitimate public purpose in legislation and regulations that would require that all CRA agreements be public documents. There would also be a public purpose in the Congress and the banking agencies clarifying what would constitute bribery or extortion in the context of discussions between community groups and bankers. There is, however, no legitimate public purpose in this clumsy attempt to discourage community groups from commenting about a bank's CRA performance.

In issuing this proposed regulation the agencies have made matters worse by carving out exemptions from the "CRA contact" provisions based on whether the community group was specifically invited to comment on the matter by a banking agency. This attempt to limit First Amendment protections to groups favored by the banking agencies is fraught with Constitutional problems. You can legitimately require all groups that receive "CRA funding" to file reports about that

funding; you can not, however, limit that reporting requirement to those groups which have spoken out about a bank's CRA record.

We are a member of the National Community Reinvestment Coalition and we support their suggestions for improving this regulation. However, even if you adopt all of their suggestions the regulations would still be problematical from a Constitutional perspective because the underlying legislation is not based on a genuine public purpose. The banking agencies, especially the Federal Reserve, have a long history of simply not writing regulations for laws which they do not agree with. We urge you to simply abandon this regulatory effort and declare that this law can not be implemented in a way that would be Constitutionally sound.

Sincerely,

Hubert Van Tol
President
Bank Watchers