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COMMUNITY ACTION COMMITTEE OF THE LEHIGH VALLEY, INC.

June 26, 2000

OFFICE OF THE ATTORNEY GENERAL
STATE OF PENNSYLVANIA
DISSIMILAR TO DEPARTMENT OF REVENUE
2000 JUN 30 A 8:44

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

Attention: Docket No. 2000-44

Dear Sir or Madam:

This week an article appeared in *The Morning Call* (a member of the Tribune family of newspapers) about how this community's mortgage lending has reached virtual parity between people of color and their white counterparts. This is a huge improvement over the early 1990's, when people of color were two to four times more likely to have their mortgage application rejected.

Such remarkable success did not come easy. It was the result of a concerted effort among non-profits, government, and the housing industry - most importantly among the latter, of course, mortgage lenders, especially banks.

And yet, not until First Union National Bank acquired CoreStates Bank in 1998 did we enter into a single agreement under the Community Reinvestment Act. Simply stated, we did not need one until then. With this merger, though, our reasons were compelling. Without getting into those reasons, every word of the agreement was proudly disclosed in a very high-profile press announcement that attracted all of the region's dignitaries and received excellent editorial support from both of the region's major newspapers.

Along comes Senator Phil Gramm of Texas who appears to have a visceral contempt for the law that produces such remarkable results in low-income communities. His amendment to the "financial modernization" law last year requires the regulatory agencies to produce regulations to implement his ill-conceived disclosure requirements.

What shocks us is your proposal, drafted jointly with your peers at the other agencies. To us, it seems to take a bad law and make it worse.

CACLV has led the effort, with very limited resources, to produce the results described above, and others. Few would say that our efforts have not made measurable improvements in our communities; in fact, CACLV received the Distinguished Service Award from the Allentown-Lehigh County Chamber of Commerce in 1997 for our work.

Unfortunately, the burden of your proposed regulations on this agency would make it virtually impossible for us to pursue another agreement in the rare circumstance where we might believe it necessary (some regional market leaders at banks similar to First Union have

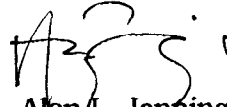
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encouraged us, in fact, to pursue agreements with their banks if a similar merger would involve them).

While your proposal strikes us as an imposition on our constitutional rights under the First Amendment, we will always be proud to disclose fully the complete text of any agreement. We strenuously object, however, to the reporting requirements under the proposed regulations.

If we can be of any further assistance as you develop these regulations, please feel free to contact us.

Sincerely,

A handwritten signature in black ink, appearing to read 'ALJ', is written over the typed name.

Alan L. Jennings
Executive Director

ALJ:njd

cc: NCRC