



Office of Thrift Supervision

Department of the Treasury

1700 G Street, N.W., Washington, DC 20552 • (202) 906-6000

Because of the volume of comments received on No. 2006-44, OTS is posting the comments received on this proposal in a different format to allow the agency to post comments more efficiently. Where identical comments have been received from more than one individual, the template letter will be posted with a link to an alphabetical list of those submitting that comment ("signatories"). Originals of all comments received may be reviewed at the agency under the procedures described in the notice of proposed rulemaking.

This procedure affects only the posting to the website and does not affect how comments will be counted and considered -- each individual's comment will still be treated separately.

[The list of signatories to this comment may be found here.](#)

To: Comments, Regs
Subject: Comments on Proposal No. 2006-44

Regulation Comments
Chief Counsel's Office
Office of Thrift Supervision
1700 G Street NW
Washington, DC 20552

Attention: No. 2006-44

To Whom it May Concern:

I agree with the National Community Reinvestment Coalition that your proposed changes to Community Reinvestment Act (CRA) exams will increase lending, investing and bank services in low- and moderate-income communities. I urge your agency to implement your proposed changes as soon as possible.

The federal agencies must establish the same CRA exams so that the public can effectively compare the CRA performance of banks and thrifts. Currently, banks and thrifts with similar assets in my locality have very different CRA exams. The weaker CRA standards for thrifts make it difficult to hold thrifts accountable for responding to community needs.

Mid-size thrifts with assets between \$250 million to \$1 billion in assets currently only have a lending test. In contrast, mid-size banks have CRA exams that consist of a lending test and a community development test. The community development test rates a mid-size bank on the number of investments, bank services, and loans for affordable housing and economic development in low- and moderate-income communities. Mid-size banks are expected to offer a greater range of loans, investments, and services than mid-size thrifts in my community. The total amount of bank financing and services would increase if mid-size thrifts were held to the same standards and had the same CRA exam as mid-size banks.

Likewise, large thrifts with assets greater than \$1 billion have lower CRA requirements than large banks. Large thrifts must undergo a lending test, but they can choose not to have an investment test and a service test. Alternatively, large thrifts can choose to have their investment and service test count for a minimal amount towards their CRA rating. In contrast, large banks always have a CRA exam in which the lending test counts for 50% of the rating, the investment test counts for 25%, and the service test counts for 25% of the rating. The large bank test has worked well for increasing bank lending, investing, and services in low- and moderate-income communities. I urge the OTS to establish consistent standards for large thrifts by going back to the predictable weighting scheme of the large bank exam.

Finally, I ask the OTS to implement its proposal to add an anti-predatory lending screen to its CRA regulation. Savings and loans

must be penalized severely through lower ratings on CRA exams if they engage in illegal, discriminatory, and abusive lending practices. Again, savings and loans must be held to the same standard as banks, including facing CRA penalties if they issue abusive loans that drain equity from communities instead of meeting credit needs.

Consistent CRA exams establish the same standards for banks and thrifts, making it more likely that regulatory agencies and the general public can hold banks and thrifts accountable for serving the needs of communities. Currently, the different CRA standards increase the possibilities of some lending institutions shirking their community reinvestment obligations. I ask the OTS to enact its proposal to align their CRA exams with those of the other agencies as fast as possible. Thank you for your consideration of this important matter. If you have any questions, please contact me on (put your phone number here as it is requested by the OTS for e-mails to the agency).

Sincerely,