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January 22, 2007

Regulation Comments
 Chief Counsel's Office
 Office of Thrift Supervision
 1700 G Street NW
 Washington, DC 20552
Attention: No. 2006-44

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 Dora Leong Gallo

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Dear Office of Thrift Supervision:

I am writing to convey our organization's strong support for the Office of Thrift Supervision's (OTS) proposed changes to your Community Reinvestment Act (CRA) exams. These changes will result in increased lending, investments and financial services for low- and moderate-income communities.

A Community of Friends (ACOF) is a nonprofit affordable housing developer of permanent supportive housing. In the past 18 years, we have completed 29 apartment buildings totaling over 1,100 units for homeless individuals and families with special needs. We are currently in construction on another three projects and have nine more projects in the pipeline. Without strong support from our financial institution partners, this work would not have been possible.

Currently, the OTS has a very different set of CRA exams for their regulated thrifts in comparison to the other regulators' bank CRA exams. The weaker CRA standards for thrifts make it difficult to hold thrifts accountable for responding to community needs. CRA exams should have the same standards for banks as for thrifts. Consistent and standard exams assist both the regulatory agencies and the general public in holding banks and thrifts accountable for serving the needs of communities. The OTS should enact its proposal to align their CRA exams with those of the other agencies. By establishing consistent standards for thrifts, communities and regulators can comparatively assess thrifts against the performance of banks.

Finally, the OTS should implement an anti-predatory lending screen to its CRA regulation. Savings and loans must be discouraged in a very real way (e.g. lower ratings on CRA exams) if they engage in illegal, discriminatory, and abusive lending practices.

Thank you for your consideration of this important matter. If you have any questions, please contact me at 213. 480.0809 or dgallo@acof.org.

Sincerely,

Dora Leong Gallo
 Chief Executive Officer

Copy: California Reinvestment Coalition