

Hartford Community Development Authority

EQUAL HOUSING OPPORTUNITY
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Docket No. R-1181

Jennifer J. Johnson
Secretary, Board of Governors of the Federal Reserve System
20th Street and Constitution Avenue, NW
Washington DC 20551

Robert E. Feldman
Executive Secretary
Attention: Comments
Federal Deposit Insurance Corporation
550 17th St NW
Washington DC 20429

Regulation Comments, Attention: No. 2004-04
Chief Counsel's Office
Office of Thrift Supervision
1700 G Street NW
Washington DC 20552

April 6, 2004

Dear Officials of Federal Bank and Thrift Agencies:

As a banking customer and community development authority Director, I urge you to change your proposed Community Reinvestment Act (CRA) regulation before finalizing it. I believe you need a stronger predatory lending standard and I believe you should keep the small bank definition as it is at \$250 million in assets. Wisconsin would be hard-hit by the proposed changes in requirements for small banks.

I hope you will pay more attention to the smaller banks. They can do more if the regulators would only encourage the larger of the small banks to support community development lending and investments in smaller communities. Keeping them on the large bank CRA exam will do



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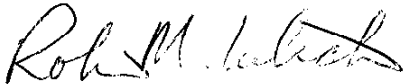


more to encourage reinvestment in the community than letting them take the small bank exam does. I'm asking you not to raise the asset threshold definition of a small bank.

I am also very concerned about the proposed standard regarding predatory loans. I am very aware of rip-off lenders who do what you call "asset-based lending" and try to force borrowers into foreclosure so they can take over their homes. However, there are many other ways that seemingly good banks take advantage of customers who don't understand the loan process. I think the regulators should use the CRA exams to penalize lenders who push high cost loans with high fees and those who get you into a bad loan and then try to flip you into an even worse loan. I also oppose prepayment penalties that keep you from getting out of a bad loan, loans with balloon payments, and single premium credit insurance policies that cost a lot but don't really help the customer. Regulators should lower a bank's CRA rating when they include loan "features" like that.

I also support the position of the National Community Reinvestment Coalition. Thank you for your attention to my concerns.

Sincerely,

A handwritten signature in black ink, appearing to read "Robin M. Lulich". The signature is fluid and cursive, with the first name "Robin" being the most prominent part.

Robin M. Lulich
HCDA Director