CONNECTICUT HOUSING COALITION

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April 5, 2004

Docket No. 04-06
Communications Division
Public Information Room, Mailstop 1-5
Office of the Comptroller of the Currency
250 E St. SW,
Washington 20219

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

Dear Federal Bank and Thrift Regulators:

The Connecticut Housing Coalition is a network of over 250 community-based, affordable housing organizations from across the state. Our membership includes nonprofit developers, social service agencies, resident associations, and diverse other affordable housing practitioners and advocates.

We urge that the proposed changes to the Community Reinvestment Act (CRA) regulations be withdrawn. We strongly support and associate ourselves with the comments of the National Community Reinvestment Coalition (NCRC) dated April 2, 2004. Rather than repeating the excellent and detailed analysis provided by NCRC, we wish to incorporate them herein by reference.

The Connecticut Housing Coalition is particularly concerned about the proposal to expand the definition of "small institution" to include institutions with total assets between $250 million and $500 million, and thus significantly reduce the CRA review to which such institutions are subject. We respectfully differ with your assessment that the impact of this change would be "only slightly reducing the portion of the nation's bank and thrift assets subject to evaluation under the large retail institution performance standards."

In Connecticut alone, 10 banks and thrifts with a total of more than $3.6 billion in assets would be relieved of full CRA examination. This number is 15.15%, that is more than one in seven, of our state's lenders subject to the CRA.

The elimination of the investment and service tests for these banks and thrifts is especially troubling to us. For example, there would no longer be CRA accountability for investment in Low Income Housing Tax Credits or the availability of Individual Development Accounts. These are vital tools for, respectively, the financing of multi-family rental housing and helping low-income households to realize homeownership.

In conclusion, we believe that the current CRA regulatory burden upon institutions with total assets between $250 million and $500 million is modest and appropriate, and clearly outweighed by the enormous community benefit of assuring high CRA performance.

Thank you for you consideration of our concerns.

Sincerely,

Jeffrey Freiser
Executive Director