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April 2, 2004

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

Re: Community Reinvestment Act Regulations – No. 2004-04  
69 FR 5729 (February 6, 2004)

Dear Sir or Madam:

The New Jersey League of Community Bankers\* (“the League”) is pleased to comment on the proposal to revise and update the Community Reinvestment Act (“CRA”) regulations.

The League strongly supports the proposed revisions to the CRA regulations and urges the federal banking regulatory agencies to further reduce the regulatory burden on smaller institutions by amending the definition of “small institution” to mean an institution with total assets of less than \$1 billion, without regard to any holding company assets.

The small institution performance standards under the CRA regulations recognize that smaller institutions do not have the resources that larger institutions have to collect the data necessary for the reporting required of larger institutions. Smaller institutions also do not have as many options open to them for meeting the investment test. League members note that large institutions, because of the size of the investments they can make, have more opportunities open to them for investments that qualify for CRA credit.

Raising the threshold for institutions that must comply with the requirements for large institutions would be a major step in reducing the regulatory burden for smaller institutions. Our members are community banks that strongly believe in reinvesting in the communities they serve. Raising the threshold will not dampen that commitment to their communities.

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\* The New Jersey League of Community Bankers, founded in 1908, is a trade association representing 70 of New Jersey's savings banks, savings & loan associations and commercial banks with total assets of over \$60 billion. The League's wholly-owned subsidiary, the Thrift Institutions Community Investment Corporation (“T.I.C.I.C.”) assists League members in forming consortia to make loans on low-to-moderate income housing and economic development projects throughout New Jersey. Since its founding in September 1991, T.I.C.I.C. has facilitated loans on nearly 4,500 affordable housing units and has loans in process on over 500 more affordable housing units. Loans made and loans in process total nearly \$302 million.

**Jay M. Ford**  
**Chairman**  
President/CEO  
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**Gary T. Jolliffe**  
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Fair Lawn, NJ 07410

**Samuel J. Damiano**  
**President**  
New Jersey League  
of Community Bankers  
Cranford, NJ 07016

The League also supports the provisions of the proposed regulation that would take evidence of discriminatory or other illegal credit practices into account in an agency's evaluation of an institution's CRA performance. The League believes that even one predatory loan is one too many.

Sincerely,

A handwritten signature in black ink, appearing to read "James R. Silkensen". The signature is fluid and cursive, with a long horizontal stroke at the end.

James R. Silkensen, Executive Vice President  
New Jersey League of Community Bankers

JRS/jz