



April 5, 2004

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

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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 D.C. 20551

Robert E. Feldman
Executive Secretary
Attention: Comments
Federal Deposit Insurance Corporation
550 17th Street, NW
Washington D.C. 20429

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

Dear Officials of Federal Bank and Thrift Agencies:

I write to urge you to withdraw the proposed changes to the Community Reinvestment Act (CRA) regulations.

As I understand it, the proposed changes include three major elements: 1) provide streamlined and cursory exams for banks with assets between \$250 million and \$500 million; 2) establish a weak predatory lending compliance standard under CRA; and 3) expand data collection and reporting for small business and home lending. The beneficial impacts of the third proposal are overwhelmed by the damage imposed by the first two proposals.

Under the current CRA regulations, large banks with assets of at least \$250 million are rated by performance evaluations that scrutinize their level of lending, investing, and services to low- and moderate-income communities. One of our lenders, Bradford Bank falls into this category. Since they have a branch in their neighborhood, they have every reason to invest here. However, under their former president, Mr. Klausung, they refused to do so. Under their current president, Mr. Arthur, they have done better, but removing them from CRA regulations would only invite them to backslide.

As you may know, the Patterson Park area where we operate was the second hardest hit in Baltimore City by predatory lending. There were literally hundreds of foreclosures on as much as 10% of our neighborhoods' housing stock in the last 10 years. Many of those houses became unoccupied and eyesores as a result. To weaken the predatory lending aspects of the CRA regulations would say we had learned nothing about the inventiveness and imagination of those who prey on our poorest citizens and their neighborhoods.

CRA is simply a law that makes capitalism work for all Americans. CRA is too vital to be gutted by harmful regulatory changes and neglect.

Thank you for your attention to this critical matter.

Sincerely,



Ed Rutkowski
Executive Director

cc:

Senator Barbara A. Mikulski
Senator Paul S. Sarbanes
Congressman Benjamin L. Cardin
Congressman Elijah E. Cummings
Congressman C.A. Dutch Ruppersberger III
Mayor Martin O'Malley