



Northwest Indiana
**COMMUNITY
REINVESTMENT
ALLIANCE**

Regulation Comments
Office of Thrift Supervision

4/5/04

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The Community Reinvestment Alliance of NWI as members of the National Community Reinvestment Coalition join them in urging you to either substantially modify or withdraw the proposed changes to the Community Reinvestment Act regulations. CRA has been instrumental in increasing access to homeownership, boosting economic development, and expanding small businesses in the nation's minority, immigrant, low and moderate income communities. Your proposed changes will halt the progress in community reinvestment.

The proposed CRA changes will thwart the Administration's goals of improving the economic status of immigrants and creating over 5 million new minority homeowners by the end of the decade. Instead, the proposed CRA changes might encourage predatory lending and reduce the ability of the general public to hold financial institutions accountable for compliance with consumer protection laws.

The proposed changes include 3 major elements 1) provide streamlined and cursory exams for banks with assets between \$250 million and \$500 million; 2) establish a week 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. In addition, the federal banking agencies did not update procedures regarding affiliates and assessment areas in their proposal, and thus missed a vital opportunity to continue CRA's effectiveness.

The proposed changes to CRA will directly undercut the Administrations emphasis on minority homeownership and immigrant access to jobs and banking services. The proposal regarding streamlined exams and the anti-predatory lending standard threaten CRA's statutory purpose of the safe and sound provision of credit and deposit services. The proposed data enhancements would become much more meaningful if the agencies update procedures regarding assesment areas, affiliates and the treatment of high cost loans and purchases on CRA exams. 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

Sincerely

Jean Ishmon
President
NWI
Community Reinvestment Alliance



Juan M. Andrade
NWI CRA