

April 5, 2004

Regulation Comments
Chief Counsel's Office
Office of Thrift Supervision
1700 G Street, NW
Washington, DC 20522

Attention: No. 2004-04

Dear Sir/Madam:

On behalf of The Joint Reinvestment Committee of Cypress Hills and City Line, a longstanding coalition between our nonprofit community development organization and a network of block groups in East New York, Brooklyn which prior to CRA were redlined, I write to provide comments on the proposed changes to the Community Reinvestment Act. We oppose several changes proposed to CRA:

- Changing the definition of "small" banks by increasing the asset size of institutions exclude from investment and service tests, and
- Changing the definition of predatory lending loans to exclude many unscrupulous practices we have witnessed in our communities, e.g. prepayment penalties and high fees.

We also believe that banks should fully disclose and report upon the lending of their affiliates and if these affiliates are engaging in predatory practices, the CRA ratings of all affiliated banks should be negatively impacted. Furthermore, we endorse the proposal to mandate that banks report on business lending by census tract. This new reporting on business lending will better inform us as to the full scope of any particular lending institution's efforts to reinvestment in low and moderate income neighborhoods like Cypress and City Line.

CRA has been a powerful tool to spurring lending, affordable housing and community development in our predominately Latino, low and moderate income areas. Over the past decade we have carefully analyzed HMDA data and created a productive dialogue with our local banks. These relationships,

grounded in CRA principles and secured by CRA enforcement mechanisms, have led to a more than tripling of home purchase, refinance and repair lending, the financing of several low income housing developments and the launch of a mortgage foreclosure prevention initiative. We strongly encourage you to strengthen CRA for the ultimate benefit of our nation's struggling communities.

Sincerely yours,

Michelle D. Neugebauer
Executive Director

MDN:mdb

cc: Honorable Nydia M. Velazquez