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cc: Gilleran
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July 23, 2004



Mr. James E. Gilleran
Director
Office of Thrift Supervision
1700 G Street NW
Washington, DC 20552
202-906-6000

Dear Mr. Gilleran:

The Illinois Facilities Fund (IFF) asks you to reverse your July 16th decision to change the Community Reinvestment Act definition of a small bank from \$250 million to \$1 billion. This significant change will adversely impact the Community Development Financial Institution (CDFI) industry and other essential investments promoting community development in Illinois.

As a result of OTS's decision to raise the small bank standard from \$250 million to \$1 billion, in Illinois alone, 15 banks from nine different counties with combined assets of over \$6.1 billion would not be subject to the full CRA Exam, including the investment and service tests. This eliminates an important incentive for financial institutions to partner with CDFIs and other engaged in community development.

CRA has promoted investments by financial institutions in the IFF. Since the inception of the IFF, 11 banks have provided the IFF with over \$29 million at below market rates. This financing is essential to the IFF's track record of providing more than \$75 million in real estate financing to over 200 Illinois nonprofits, resulting in the creation of 7,500 jobs and development of 3.7 million square footage of new real estate in traditionally financially underserved markets. IFF's strategic plans, based on a careful market demand analysis, call for significant growth statewide, aiming for \$100 million in capital to invest in the next five years. OTS's decision poses serious hurdles to attaining that growth.

The IFF is also part of a broader, robust Illinois community development finance industry that has created over 1,800 new businesses, 17,000 new or retained jobs, 23 million square feet of commercial real estate in low-income or high need communities and 45,350 units of affordable housing throughout Illinois.

In order to ensure the continued growth and sustainability of the Community Development Finance Industry and its ability to provide financial services and products to traditionally underserved communities throughout the country, it is essential for OTS to reverse its decision to raise the definition of small banks from \$250 million to \$1 billion.

Sincerely yours,

Elizabeth A. Evans
Director of Government & Community Affairs