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Evans, Sandra E

From: A. Allan Schmid [schmid@msu.edu]
Sent: Friday, April 02, 2004 10:56 AM
To: regs.comments@occ.treas.gov; regs.comments@federalreserve.gov; comments@fdic.gov; regs.comments@ots.treas.gov; jsilver@ncrc.org
Subject: Community reinvestment act

April 2, 2004

Dear Officials of Federal Bank and Thrift Agencies:

As a banking customer I would like to urge you to change your proposed Community Reinvestment Act (CRA) regulation before finalizing it. I believe you need a stronger predatory lending standard and I believe you should keep the small bank definition as it is at $250 million in assets.

I hate rip-off lenders who do what you call "asset-based lending" and try to force borrowers into foreclosure so they can take over their homes. However, there are a whole bunch of other ways that seemingly good banks take advantage of customers who don't understand the loan process. I think the regulators should use the CRA exams to penalize lenders who push high cost loans with high fees and those who get you into a bad loan and then try to flip you into an even worse loan. I hate prepayment penalties that keep you from getting out of a bad loan and single premium credit insurance policies that cost a lot but don't really help the customer. Lower a bank's CRA rating when they do stuff like that.

The big banks are getting so big that to think they would actually do much for regular folks is a joke, so I hope you will pay more attention to the smaller banks. They can do more if the regulators would only encourage the larger of the small banks to support community development lending and investments in smaller communities. Keeping them on the large bank CRA exam will do more to encourage reinvestment in the community than letting them take the small bank exam does. I'm asking you not to raise the asset threshold definition of a small bank.

I also support the position of the National Community Reinvestment Coalition. I think they pretty much nailed it.

Thank you very much for paying attention to my concerns.

Sincerely,

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