

c/o National Puerto Rican Coalition • 1901 L Street, Ste 802 • Washington, DC 20036

Tel: 202-223-3915 • Fax: 202-429-2223 • Website: www.bareylink.org/nhla.htm

April 5, 2004

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

Docket No. R-1181
 Jennifer J. Johnson
 Secretary
 Board of Governors of the Federal Reserve System
 20th Street and Constitution Avenue, NW
 Washington DC 20551

Robert E. Feldman
 Executive Secretary
 Attention: Comments
 Federal Deposit Insurance Corporation
 550 17th St NW
 Washington DC 20429

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

Dear Officials of Federal Bank and Thrift Agencies:

On behalf of the National Hispanic Leadership Agenda (NHLEA), a coalition of national Hispanic public policy and civil rights organizations, I am writing to urge you to withdraw the proposed changes to the Community Reinvestment Act (CRA) regulations.

Since 1977, the CRA has worked to protect the economic development of low- and moderate- income communities and has been instrumental in increasing access to affordable housing, homeownership and expanding small business opportunities. While current CRA regulations provide for the evaluation of the level of banking services and investment in neighborhoods traditionally underserved by lending institutions; discrimination, predatory lending, and a lack of financial resources and services continue to disproportionately affect Americans of Hispanic descent and minority low-and moderate – income neighborhoods.

The proposed CRA regulation changes would not only weaken current standards and threaten community reinvestment but also make it more difficult for regulatory agencies to protect neighborhoods already at risk. The proposed regulatory changes would reduce the quality and accuracy of CRA exams by eliminating the investment and service portions for banks and thrifts with assets between \$250 and \$500

Executive Committee

Chair, Manuel Mirabal

National Puerto Rican Coalition

Vice Chair, Delta Pompa

National Association of Bilingual
 Education

Secretary/Treasurer, Gilbert Moreno

Association for the Advancement of
 Mexican Americans

At-Large, Al Zapanta

U.S.-Mexico Chamber of Commerce

At-Large, Alma Morales Riojas

MANA: A National Latina
 Organization

Organizations

Alianza Dominicana

American GI Forum

ASPIRA Association, Inc.

Cuban American National Council

Hispanic National Bar Association

Hispanic Association on Corporate
 Responsibility

Hispanic Association of Colleges
 & Universities

Hispanic Council on International
 Relations

Interamerican College of Physicians &
 Surgeons

Labor Council for Latin American
 Advancement

Latino Civil Rights Center

League of United Latin American
 Citizens

Mexican American Legal Defense
 & Education Fund

National Association of Latino

Elected & Appointed Officials

National Council of La Raza

National Association of Hispanic
 Federal Executives

National Association of Hispanic
 Publications

National Conference of Puerto
 Rican Women

National Hispanic Caucus of State
 Legislators

National Hispanic Corporate Council

National Hispanic Council on Aging

National Hispanic Environmental
 Council

National Hispanic Foundation for the
 Arts

National Hispanic Media Coalition

National Hispanic Medical Association

National Puerto Rican Forum

National Latina/o Lesbian, Gay,

Bisexual & Transgender Organization

Puerto Rican Legal Defense

& Education Fund

Society of Hispanic Professional
 Engineers

Southwest Voter Registration
 & Education Project

U.S. Hispanic Chamber of Commerce

Individuals

Rudy Beserra

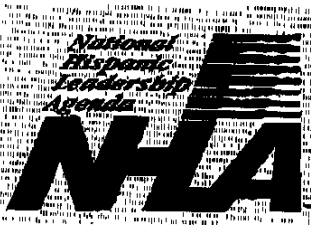
Henry Cisneros

Rita DiMartino

Frederick Fernandez

Hon. Ciro Rodriguez

291



c/o National Puerto Rican Coalition • 1901 L Street, Ste 802 • Washington, DC 20036

Tel: 202-223-3915 • Fax: 202-429-2223 • Website: www.bateylink.org/nhla.htm

Page 2

Re:

Docket No. 04-06

Docket No. R-1181

Docket No. 2004-04

- Executive Committee**
- Chair, Manuel Mirabal*
- National Puerto Rican Coalition
- Vice Chair, Delta Pompa*
- National Association of Bilingual Education
- Secretary/Treasurer, Gilbert Moreno*
- Association for the Advancement of Mexican Americans
- At-Large, Al Zapanta*
- U.S.-Mexico Chamber of Commerce
- At-Large, Alma Morales Riojas*
- MANA: A National Latina Organization
- Organizations**
- Alianza Dominicana
- American GI Forum
- ASPIRA Association, Inc.
- Cuban American National Council
- Hispanic National Bar Association
- Hispanic Association on Corporate Responsibility
- Hispanic Association of Colleges & Universities
- Hispanic Council on International Relations
- Interamerican College of Physicians & Surgeons
- Labor Council for Latin American Advancement
- Latino Civil Rights Center
- League of United Latin American Citizens
- Mexican American Legal Defense & Education Fund
- National Association of Latino Elected & Appointed Officials
- National Council of La Raza
- National Association of Hispanic Federal Executives
- National Association of Hispanic Publications
- National Conference of Puerto Rican Women
- National Hispanic Caucus of State Legislators
- National Hispanic Corporate Council
- National Hispanic Council on Aging
- National Hispanic Environmental Council
- National Hispanic Foundation for the Arts
- National Hispanic Media Coalition
- National Hispanic Medical Association
- National Puerto Rican Forum
- National Latina/o Lesbian, Gay, Bisexual & Transgender Organization
- Puerto Rican Legal Defense & Education Fund
- Society of Hispanic Professional Engineers
- Southwest Voter Registration & Education Project
- U.S. Hispanic Chamber of Commerce
- Individuals**
- Rudy Beserra
- Henry Cisneros
- Rita DiMartino
- Frederick Fernandez
- Hon. Ciro Rodriguez

million. According to the FDIC, about 1,111 banks fall within that bracket and account for an estimated \$387 billion in assets. Because these banks would no longer be held accountable—for investing in low income-housing tax credits or the provision of bank branches, checking accounts, individual development accounts (IDA's), or debit card services—we are deeply concerned that these changes would result in considerably less access to banking services and capital for underserved communities.

Proposed CRA regulation changes also weaken federal policy designed to prevent predatory lending by establishing a standard that would narrowly define predatory lending as “loans based on the foreclosure value of the collateral” and that does not take into consideration the borrower’s ability to repay. Predatory lending that might result from packing of fees into mortgage loans, high prepayment penalties, mandatory arbitration and other numerous abuses would not be defined as such, therefore, actually permitting abusive lending practices, instead of setting higher penalties for offending banks.

Hispanic Americans are disproportionately targets of predatory lending due to linguistic and cultural barriers including limited English proficiency, not understanding or trusting banking institutions and having little or poor credit. NHLA feels this weak anti-predatory lending “screen” would actually facilitate predatory lending and make it more difficult to hold financial institutions accountable for compliance with consumer protection laws.

Further limitation of community banking options; will negatively impact the economic and social development of low and moderate-income communities. NHLA feels the proposed changes to CRA will significantly reduce investment in community economic development initiatives, impede access to banking services, and hinder the administration’s goals of increasing minority homeownership.

Existing financial protections should be developed and evaluated to better serve the development needs of underserved communities. Regulatory changes should not result in curtailing current banking and community investment opportunities, but should continue to hold financial institutions accountable for their performance in fulfilling the financial needs of the communities in which they are doing business.

Sincerely,


Manuel Mirabal
Chair