

**From:** Cliff Rosenthal [crosenthal@natfed.org]

**Sent:** Tuesday, April 06, 2004 1:22 PM

**To:** regs.comments@federalreserve.gov; comments@fdic.gov;  
regs.comments@ots.treas.gov; regs.coments@occ.treas.gov

**Subject:** CRA Comments from National Federation of Community Development Credit Unions

**Docket No. 04-06**

Communications Division  
Public Information Room - Mailstop 1-5  
Office of the Comptroller of the Currency  
250 E Street, SW  
Washington, DC 20219

**Docket No. R-1181**

Ms. Jennifer Johnson, Secretary  
Board of Governors of the Federal Reserve System  
20<sup>th</sup> Street and Constitution Avenue, NW  
Washington, DC 20551

**Attention: Comments**

Robert E. Feldman, Executive Secretary  
Federal Deposit Insurance Corporation  
550 17<sup>th</sup> Street, NW  
Washington, DC 20429

**Regulation Comments**

Chief Counsel's Office  
Office of Thrift Supervision  
1700 G Street, NW  
Washington, DC 20552

April 6, 2004

Dear Regulators:

The National Federation of Community Development Credit Unions (the "Federation") represents 225 credit unions serving low-income communities in 43 states, the District of Columbia, and Puerto Rico. The Community Reinvestment Act (CRA) has played a major role in bringing resources to support the provision of financial services in low-income communities by our members. It is vital to our communities that CRA remains broadly applicable and effective.

Toward this end, we oppose the proposed changes raising the threshold for "small" banks from \$250 million to \$500 million, regardless of the size of a bank holding company,

because this may diminish resources and incentives for hundreds of banks to support CDCUs and other community development financial institutions (CDFIs).

Regarding the proposed predatory lending standard, we do not find this adequate to protect consumers from abusive lending. We are especially concerned with practices that permit banks to circumvent state law and fund predatory payday loans. Such practices should absolutely be reflected in bank CRA ratings.

In addition, we would urge the regulatory agencies to address the need to update assessment areas to include geographical areas beyond bank branches. We believe that such an updating would facilitate bank partnerships with CDFIs in all communities where banks do business and expand the availability of capital and credit to more underserved Americans.

Finally, we support the proposed measures to require additional data disclosure on CRA exams.

Thank you again for the opportunity to submit comments on the proposed revisions to CRA regulations. Please feel free to contact me at [crosenthal@cdcu.coop](mailto:crosenthal@cdcu.coop) or 212-809-1850 ext. 216 if further explanation of our comments is required.

Sincerely yours,

Clifford N. Rosenthal, Executive Director  
National Federation of Community Development Credit Unions  
120 Wall Street, 10<sup>th</sup> Floor  
New York, NY 10005

*Clifford N. Rosenthal, Executive Director  
National Federation of Community Development  
Credit Unions (NFCDCU)  
120 Wall Street, 10th Floor  
New York, NY 10005  
212-809-1850 ext. 216*

[www.cdcu.coop](http://www.cdcu.coop)

*Join Us in Puerto Rico, June 9-12 for our 3rd Latino CU Conference and Thirtieth Anniversary Meeting*