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From: Culver, Michelle [michelle.culver@teachforamerica.org]

Sent: Tuesday, April 06, 2004 7:15 PM

To: comments@fdic.gov,; >; regs.comments@ots.treas.gov

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April 6, 2004

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>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

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>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

04/07/2004

>Washington DC 20429

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>Regulation Comments, Attention: No. 2004-04

>Chief Counsel's Office

>Office of Thrift Supervision

>1700 G Street NW

>Washington DC 20552

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>Dear Officials of Federal Bank and Thrift Agencies:

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>I am a concerned citizen writing to urge you to WITHDRAW the currently

>proposed changes to the Community Reinvestment Act (CRA) regulations.

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>CRA has been instrumental in increasing access to homeownership, boosting

>economic development, and expanding small businesses in the nation's

>minority, immigrant, and low- and moderate-income communities. However,

>the proposed changes are contrary to the CRA statute because they will

>halt the progress made in community reinvestment and undermine its purpose.

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>The proposed changes will eliminate the investment and service parts of

>the CRA exam for banks and thrifts with assets between \$250 and \$500

>million. This would reduce the rigor of CRA exams for 1,111 banks that

>account for more than \$387 billion in assets. These not-so-small banks

>may seem insignificant in the comparison with prominent megabanks, but

>they have a huge impact on the communities they serve. In turn,

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>communities deserve the right to have those banks monitored and, if
>necessary, disciplined for neglectful and harmful behavior. It is
>imperative that banks fulfill their public obligation to serve ALL of
>their community, without fair exclusion and without predatory practices.
>Limiting the means by which you can monitor this is unacceptable and
>contradictory to the original purpose of CRA.

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>The changes also contain an "anti"-predatory lending standard that will
>actually perpetuate abusive lending. In this proposal, the new definition
>of "predatory" is very narrow and, ultimately, CRA exams will allow
>abusive lending as packing fees into mortgage loans, high prepayment
>penalties, loan flipping, mandatory arbitration, and other numerous abuses
>won't be considered "predatory". Rigorous fair lending audits and severe
>penalties on

>CRA exams for abusive lending are NECESSARY in order to ensure that the
>new minority homeowners served by the Administration are protected. Yet,
>the proposed predatory lending standard will NOT provide these necessary
>protections.

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>CRA is too vital to be gutted by harmful regulatory changes and
>neglect. Please help save our communities by withdrawing these harmful
>proposed changes. I thank you for your attention to this critical matter.

>
>Sincerely,

Michelle Culver

04/07/2004

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Michelle Culver
Program Director
Teach For America

Email: mculver@teachforamerica.org

Join our movement to ensure that one day, all children in this nation have an equal chance in life.

<http://www.teachforamerica.org>