

**Evans, Sandra E**

42

**From:** David McNaughton [mcnaughtond@uwstout.edu]  
**Sent:** Tuesday, March 09, 2004 9:56 AM  
**To:** regs.comments@occ.treas.gov; regs.comments@federalreserve.gov; comments@fdic.gov;  
regs.comments@ots.treas.gov  
**Subject:** Rural Development

Dear Officials of Federal Bank and Thrift Agencies:  
Please withdraw the proposed changes to the Community Reinvestment Act (CRA) regulations. CRA has been instrumental in increasing access to home ownership, boosting economic development, and expanding small businesses in the nation's rural, minority, immigrant, and low- and moderate-income communities. Your proposed changes are contrary to the CRA statute because in our opinion they will slow, if not reverse, the progress made in community reinvestment.

The proposed changes include three major elements: 1) provide streamlined and much weaker CRA exams for banks with assets between \$250 million and \$500 million; 2) establish a weak predatory lending compliance standard under CRA; and 3) expand data collection and reporting for small business and home lending. The beneficial impacts of the third proposal are overwhelmed by the damage caused by the first two proposals. In addition, the federal banking agencies did not update procedures regarding affiliates and assessment areas in their proposal, and thus missed a vital opportunity to continue to expand CRA's effectiveness. Increasingly large financial institutions are doing business far from their deposit-taking branches and home offices. Thus in a state with a large number of rural communities like Wisconsin we find some of the largest financial institutions in the country becoming an increasing part of our overall financial services market, by pushing high cost loans through affiliates, but having no CRA obligations to provide services and investments to communities that are by and large the kind of low and moderate income communities that CRA was designed to benefited to close gaping loopholes in the CRA regulation.

God bless you in your work.  
Sincerely, Julie McNaughton

David McNaughton  
926A Tainter Street  
Menomonie, WI 54751-1546  
(715) 235-9377  
mcnaughtond@uwstout.edu