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**Evans, Sandra E**

**From:** Keith Booker [KBOOKER@ci.wilmington.de.us]  
**Sent:** Monday, April 05, 2004 1:14 PM  
**To:** regs.comments@ots.treas.gov  
**Subject:** Opposition To Recommended CRA Changes

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:  
I am writing to urge you to withdraw the proposed changes to the Community Reinvestment Act (CRA) regulations.  
The proposed changes will reverse the strides in increased access to homeownership, boosting economic development, and expanding small businesses in Delaware.  
My comments are limited to the following three major elements in the proposal:  
1) Provide streamlined and cursory 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.

**Streamlined and Cursory Exams**

Under the current CRA regulations, large banks with assets of at least \$250 million are rated by performance evaluations that scrutinize their level of lending, investing, and services to low- and moderate-income communities. 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. That is nearly 1,111 banks which account for more than \$387 billion in assets. The elimination of the investment and service tests for more than 1,100 banks translates into considerably less access to banking services and capital for underserved communities. For example, there will be little incentive to invest in Low Income Housing Tax Credits, Individual Development Accounts (IDAs), etc.

**Predatory Lending Standard**

Advocates of stronger consumer protection against predatory lending are concerned with the asset-based lending practices in the subprime markets. These advocates support the "ability-to-pay" standard in lending in the subprime markets. CRA exams that shielding banks from the consequences of abusive lending, frustrates CRA's statutory requirement that banks serve low- and moderate-income communities consistent with safety and soundness.

**Enhanced data disclosure**

We support the federal agencies proposals for enhanced data disclosure.

**Missed Opportunity to Update Exam Procedures**

Banks are still allowed to pick and choose the affiliates they want considered in the CRA

exam. Thus, a bank can still get an "Outstanding" CRA rating even though its subprime affiliate is engaged in egregious predatory practices. The proposed changes to CRA will directly undercut the Administration's emphasis on minority homeownership and immigrant access to jobs and banking services. The proposals regarding streamlined exams and the anti-predatory lending standard threaten CRA's statutory purpose of the safe and sound provision of credit and deposit services. The proposed data enhancements would become much more meaningful if the agencies update procedures regarding assessment areas, affiliates, and the treatment of high cost loans and purchases on CRA exams. CRA is simply a law that makes capitalism work for all Americans. CRA is too vital to be gutted by harmful regulatory changes and neglect. Thank you for your attention to this critical matter.

Sincerely,

Keith R. Booker, Community Development Specialist  
City of Wilmington  
Department of Real estate and Housing  
Wilmington, Delaware 19801

CC:

Delaware Community Reinvestment Action Council, Inc.  
President George W. Bush  
Treasury Secretary John W. Snow  
Rashmi Rangan  
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