LaSalle Bank Corporation
Member of the ABN AMRO Group

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April 6, 2004

Robert E. Feldman
Executive Secretary
Attention: Comments/OES
Federal Deposit Insurance Corporation
550 17th Street, N.W.
Washington, D.C. 20429

Regulation Comments
Chief Counsel's Office
Office of Thrift Supervision
1700 G Street, N.W.
Washington, D.C. 20552
Attention Docket No. 2004-04

Ms. Jennifer J. Johnson
Secretary
Board of Governors
Of the Federal Reserve System
20th & C Streets, N.W.
Washington, D.C. 20551
Docket No. R-1181

Communications Division
Public Information Room
Mailstop 1-5
Office of the Comptroller of the Currency
250 E Street, S.W.
Washington, D.C. 20219
Attention: Docket No. 04-06

RE: Joint Notice of Proposed Rulemaking regarding the Community Reinvestment Act Regulations

Dear Sir/Madam:

LaSalle Bank Corporation (LBC) appreciates the opportunity to provide comment on the Joint Notice of Proposed Rulemaking regarding the Community Reinvestment Act. This letter is written on behalf of all LBC entities that are subject to the provisions of the Community Reinvestment Act.

LBC is an indirect subsidiary of ABN AMRO Bank N.V. (Bank) which is headquartered in Amsterdam, the Netherlands. The Bank currently has over $500 billion in assets, approximately 111,000 employees, and a network of over 3,500 offices in over 60 countries. The Bank maintains several branches, agencies, and offices in the United States.

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LBC is a financial holding company headquartered in Chicago, Illinois. LBC owns LaSalle Bank National Association located in Chicago, Illinois and Standard Federal Bank National Association, located in Troy, Michigan. These banks maintain over 400 offices in Illinois, Michigan and Indiana. ABN AMRO Financial Services, Inc., is a subsidiary of LaSalle Bank National Association. ABN AMRO Mortgage Group, Inc., is a subsidiary of Standard Federal Bank National Association.

As we indicated in our letter commenting on the "Joint Advance Notice of Proposed Rulemaking regarding the Community Reinvestment Act Regulations" on October 17, 2001, we believe that substantial changes to the Regulation at this time might not only require new changes to record keeping systems and procedures, but could also undermine the ability to accurately track trends and patterns in Community Reinvestment activity over time. We believe that changes made in 1995 substantially improved the Community Reinvestment Act by their concentration on bottom line results rather than process, and that further time should be allowed to realize the full impact of those changes.

With that in mind, reflecting on the proposals recommended in the current Notice of Proposed Rulemaking on the Community Reinvestment Act (CRA), we would like to make the following comments and recommendations:

Community Development and the Investment Test.
The Notice of Proposed Rulemaking properly acknowledges that under the felt pressure of the Investment Test, some banks may have invested in community development projects which were in fact economically unsound. The NPR also more than once highlights the importance of the "performance context" as an important aspect of CRA implementation and evaluation of an institution's CRA program. Within the context of an examination, performance context needs to be stressed by Examiners, so institutions will not be penalized if legitimate CD investment opportunities are not available to them. This will alleviate the temptation to make economically unsound and imprudent investments. In this scenario the community development rating would be based on the totality of the institution's CD activities, without regard to a percentage weighting of the lending, investment, or services mix.

Weight given to Community Development Investments from past exams.
Past investments still on the books represent funds which are not now available for other profitable uses. We believe, therefore, that the bank should receive credit for the full amount of the current balance in these investments. By the same token, credit should also be given for commitments since they bind the institution to meet a funding responsibility in the future.

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Fair Lending/Predatory Lending component of the CRA Examination
We have some reservation about dealing with fair lending issues in the context of the CRA examination and performance evaluation. When indications arise during the CRA examination which suggest the possibility that discrimination may have taken place, the Examiners should investigate the matter fully and deal with it as appropriate and is the current practice. Ideally fair lending considerations should affect the CRA rating only if they substantially subvert the goals of the CRA.

Specific identification of "asset based" lending or "equity stripping" as an abusive and predatory practice is not unreasonable. However, any attempt to provide a list of specific identified "abuses" offers a great chance that credit availability will be curtailed. In addition, the longer the list the greater chance that the list will be interpreted as all inclusive. Loan provisions are not by nature predatory, but some could be used in an abusive and/or deceptive way to take advantage of unsuspecting borrowers. Whether specific loan provisions in an individual case are abusive or deceptive must be determined by judicious review of all the circumstances surrounding their use, and the impact such use has on the borrower.

CRA credit for mortgage loan originations and purchases.
When mortgage loans are purchased by an institution, several factors are usually present. One, the purchasing bank is servicing its assessment area by accepting the risk and responsibility for mortgage credits already issued to low and moderate income individuals in the community. Second, the selling institution frees up capital for further lending or investment. This allows the two institutions to take full advantage of their individual financial and marketing strengths in bringing mortgage credit to low- and moderate-income individuals. The selling bank could not make further loans without the liquidity provided by the purchasing bank. Both banks deserve 100% CRA credit for their respective participation, one the originations, and the other the purchases.

We appreciate the opportunity afforded us to comment on the Community Reinvestment Act Regulations, and hope that these comments will contribute to an improved Regulation, one which will even more effectively achieve the high standards of the Community Reinvestment Act.

Sincerely,

Gary S. Washington

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Senior Vice President