

September 5, 2001

Gentlemen:

We understand that the Community Reinvestment Act (CRA) regulations are under review and that they could be changed in ways which will provide less motivation for banks and thrifts to meet the needs of low-to-moderate income residents and geographies in the communities they serve. Affordable Housing Partnerships, Inc, as a non-profit corporation that relies heavily on our partnerships with local banks (most with assets slightly over \$250 million) so we can provide housing services (counseling, education, financing, construction, etc.) for low-to-moderate income families and in low-to-moderate income neighborhoods, we strongly oppose any change that would "dilute" the current CRA regulations.

Under the current regulations, institutions with assets of \$250 million or more are required to do more to meet community needs than are smaller banks and thrifts. Unfortunately, discussions during a recent community development conference centered around changing the asset requirement so that institutions would not be subject to the more strenuous ("large" institution) requirements unless their assets exceed \$500 million (or some threshold amount higher than \$250 million). Such a change would undoubtedly prompt many financial institutions to relax their efforts to create opportunities for low-to-moderate income persons and geographies (which are already extremely limited in their access to capital).

We understand that financial institutions want to raise the threshold – not necessarily to avoid serving certain sectors of the communities in which they do business but – in order to avoid the burdensome reporting requirements they must meet under CRA. However, we believe it is imperative that the regulations motivate at least the same number of banks and thrifts to maintain (if not increase) their community reinvestment efforts.

We strongly oppose any change that would reduce the number of financial institutions subject to the current CRA regulations, as this would clearly reduce opportunities for low- and moderate-income persons and geographies. Thank you for your consideration.

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Sincerely,

Sharon Campbell  
Vice President/Finance