

**MEXICAN AMERICAN BAR ASSOCIATION**

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229

October 17, 2001

**VIA FACSIMILE**

Docket No. 01-16  
Communications Division  
Public Information Room, Mailstop 1-5  
Office of the Comptroller of the Currency  
250 E. St. SW  
Washington, DC 20219

Jennifer J. Johnson  
Secretary  
Board of Governors of the Federal Reserve System  
20<sup>th</sup> Street and Constitution Avenue, NW  
Washington, DC 20551  
RE: Docket No. R-1112

Regulations Comments  
Chief Counsel's Office  
Office of Thrift Supervision  
1700 G St. NW  
Washington, DC 20552  
Attention: Docket No. 2001-49

Robert E. Feldmn  
Executive Secretary  
Attn: Cmments/OES  
Federal Deposit Insurancc Corporation  
550 17<sup>th</sup> St. NW  
Washington, DC 20249

Dear Officials:

In an effort to encourage dialogue on the timely and important issue of community lending, the Mexican American Bar Association of El Paso ("MABA") would like to comment on the Community Reinvestment Act ("CRA") review being jointly undertaken by various federal agencies. With the passage of the CRA in 1977, the Federal government addressed critical concerns about the role of banks and banking in our society by recognizing that the

industry has important obligations to our communities and our society. Central to this concept is the CRA's mandate requiring banks to provide an accounting of themselves in the form of performance-based evaluations. MABA wholeheartedly supports the spirit of the CRA and its requirement of accountability for banks to the communities they serve.

Nevertheless, MABA would like to address some issues it feels warrant revision in the CRA regulations. The guiding light for these comments is the notion that all efforts should be taken to allow the CRA to provide the most relevant and specific information to the specific communities they serve. This is true particularly for communities such as El Paso which are served primarily by large, out-of-town retail banks. For communities such as ours, it is therefore imperative that CRA regulations furnish the appropriate tools to obtain detailed, community-specific data on the performance of all of its banks.

### **I. Community Specific Data and Loan to Deposit Ratios**

MABA has concerns about some of the issues related to "assessment areas" for the purposes of the Large Retail Institution Lending test. First, there is a general sense that the current scheme for evaluating large lending institutions can result in data that may not present a full picture for a specific community. A significant example of this pertains to loan-to-deposit ratios. Loan-to-deposit ratios provide perhaps one of the most valuable measurements for a bank's responsiveness to a community. Under current rules, there appears to be no requirement that loan-to-deposit data be provided for each assessment area and specific community. Clearly, this has the potential to adversely impact the accuracy of data related to a bank's true performance in a community. MABA supports any measures which will require this information for individual assessment areas.

### **II. Small Business Data**

The concerns of small businesses are of great concern to MABA. Not only are many MABA members small businesspeople themselves as solo and small firm owners, but many members also represent small businesses. Of course, as part of its performance evaluation process, the CRA examines data pertaining to small business lending. Nevertheless, regulations should be modified to seek more detailed information with regard to a bank's responsiveness to small businesses. Specifically, information should be required regarding, for example, the number of loan applications received, the number of loans made at prime, the number of loans made at sub-prime, and the number of loans denied. These indicators are of obvious and immeasurable value to anyone assessing the small business lending atmosphere in a particular community.

MABA provides this general commentary in its belief that these suggestions could provide more detailed and relevant information that could only serve to shed further light on a

Office of the Comptroller of the Currency, *et al.*

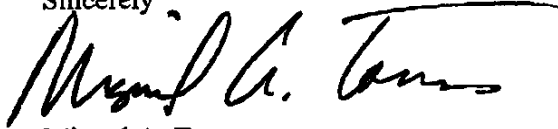
October 17, 2001

Page 3

community's lending environment. It is our belief that the very spirit of the CRA presumes that everybody wins when the most complete information is available to a community.

We appreciate in advance the opportunity to comment as well as your consideration of these comments. Please contact our organization if you have any questions.

Sincerely

A handwritten signature in black ink, appearing to read "Miguel A. Torres". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Miguel A. Torres

MABA Representative to the El Paso Fair Lending  
Coalition

Member, Board of Directors