

Evans, Sandra E

From: Carl Wolf [Carl_Wolf@nthp.org]
Sent: Wednesday, October 17, 2001 10:38 AM
To: 'regs.comments@federalreserve.gov'; 'regs.comments@occ.treas.gov'; 'comments@fdic.gov';
'regs.comments@ots.treas.gov'
Cc: 'jsilver@ncrc.org'
Subject: National Trust Comments: Treasury ANPR on CRA Regulations

October 17, 2001

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

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

Robert E. Feldman
Executive Secretary
Attention: Comments/OES
Federal Deposit Insurance Corporation
550 17th St. NW
Washington DC 20429
No docket number needed

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

RE: Advanced Notice of Proposed Rulemaking: Community Reinvestment Act Regulations

To Whom it May Concern:

The National Trust for Historic Preservation believes that the Community Reinvestment Act (CRA) has been instrumental in increasing lending and investing in communities that we serve around the country. The regulatory changes to CRA during 1995 strengthened the law by emphasizing a bank's performance in providing services and in making loans and investments. However, federal banking agencies must now update the CRA regulations in order to sustain and increase reinvestment in low- and moderate-income communities as well as under-served minority communities.

The National Trust believes that it remains important for banks to strive to make their services available to "under-served" credit markets that include diverse, older urban commercial districts and residential neighborhoods. Through its Community Partners and Main Street programs, the National

Trust
has seen first hand the benefit of the Community Reinvestment Act for
affordable housing and economic development projects in which the Trust
has
been an equity partner or lender. The National Trust believes that CRA
is
good business for banks and other financial institutions and that making
CRA-eligible loans and equity investments strengthens the financial
services
industry.

While we support retention of all of the compliance and reporting
requirements of the CRA Act, in order to preserve the progress made thus
far
in community reinvestment we believe that federal banking agencies must
also
update CRA to take into account the revolutionary changes in the
financial
industry by including the following changes in any future regulations:

* Mandate that all lending and banking activities of
non-depository
affiliates be included on CRA exams.

* The CRA procedures for delineating assessment areas need to be
changed if CRA is to adequately capture the activities of banks in the
rapidly evolving financial marketplace.

* CRA exams must rigorously and carefully evaluate sub-prime
lending
and encourage lenders to make as many prime loans as possible since
prime
loans are more affordable for minority and low- and moderate-income
borrowers. Significant research concludes that too many creditworthy
borrowers are receiving over-priced and discriminatory sub-prime loans.

* The CRA regulations must be changed so minorities are explicitly
considered on the lending test on a par with low- and moderate-income
borrowers. Considerable research has revealed the domination of
sub-prime
lenders in refinance and home equity lending in minority communities.

The National Trust believes that updating the CRA regulations will
produce
CRA exams that are rigorous, performance-based, more consistent and
better
able to capture the lending, investment and service activity of rapidly
changing banks. Improved exams will also help ensure that lending under
CRA
will benefit the older and historic neighborhoods that might otherwise
be
neglected if not for these suggested improvements to the regulations.

Thank you for your consideration of our views.

Sincerely,

Stanley Lowe
Vice President for Community Revitalization
National Trust for Historic Preservation