



CITY OF DETROIT
PLANNING & DEVELOPMENT DEPARTMENT

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Chief Counsel's Office
Office of Thrift Supervision
Regulation Comments
1700 G Street, NW
Washington, DC 20552

Gentlemen:

The City of Detroit, Planning & Development Department (P&DD) believes that the Community Reinvestment Act (CRA) has been instrumental in increasing lending and investing to our community and many others 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. The federal banking agencies must now update the CRA regulations in order to further reinvestment in low- and moderate-income communities as well as under-served minority communities.

The CRA regulation now allows banks to choose whether the lending, investing or service activities of their affiliates will be considered on CRA exams. P&DD urges the regulatory agencies to consider that all lending and banking activities of non-depository affiliates be included on CRA exams. This change would most accurately assess the CRA performance of banks that are spreading their lending activity to all parts of their company, including mortgage brokers, insurance agents, and other non-traditional loan officers. Currently, banks can elect not to include affiliates on CRA exams if they make loans primarily to affluent customers.

The CRA exams are reasonable and are not burdensome for banks. We are not suggesting that we make them difficult; we are suggesting that we make them accountable for the depositors and the assessment areas which they serve.

We provide this comment regarding CRA regulations from one of America's communities, as the federal banking agencies consider changes, we would like to be ensured that the community credit needs are being met. We also support the Detroit Alliance for Fair Banking's efforts as well as the National Community Reinvestment Coalition regarding this issue.

Thank you for your consideration.

Sincerely,


Paul A. Bernard, Director
Planning & Development Department

PAB:mj

DENNIS W. ARCHER, MAYOR