

Urban League of Greater Muskegon

January 21, 2005

425 Catawba Muskegon MI 49442 (231) 726-6019

Regulation Comments
 Chief Counsel's Office
 Office of Thrift Supervision
 1700 G St. NW
 Washington, D.C. 20552

Attention: No. 2004-53 & 2004-54

To Whom It may Concern:

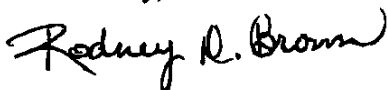
As President and CEO of the Urban League of Greater Muskegon, I am writing to urge you to immediately withdraw your proposal concerning the Community Reinvestment Act (CRA). We find that this proposal contradicts the purpose of the CRA because it will significantly reduce the amount of community development financing and thrift services available in low-and moderate-income communities.

The OTS proposal allows large thrift institutions to design their own watered-down Community Reinvestment Act exams. It would allow a large thrift to choose to eliminate its investment and service tests, and thus only have to pass a lending test. Or, it can choose to have miniscule investment and service tests, meaning that the lending test counts for virtually the entire total grade. In the end, thrifts would be allowed to neglect the pressing needs in their communities – thus failing to fulfill their responsibility to enforce the CRA. For example, if a thrift eliminates their investment tests, they will not be required to finance affordable rental housing through the Low Income Tax Credits, or finance small businesses through equity investments. Thrifts could also abolish their service tests and not be required to place or maintain branches in low-and moderate-income communities, thus leaving the residents prey to abusive payday loans, check cashing, and other cost banking services.

In addition, the proposal allows all savings and loans to serve affluent neighborhoods, and neglect low-and moderate-income neighborhoods, in rural areas and areas impacted by natural disasters. This is contrary to the purpose of the CRA to fight against the redlining of low-and moderate-income communities. And finally, the OTS proposal would reduce opportunities for community groups and citizens to meet with thrifts and the OTS to discuss CRA and anti-predatory lending issues when thrifts are merging.

The Urban League of Greater Muskegon views the proposed severe weakening of the CRA by the OTS as an attack on a key civil rights law that is vital if we are to promote equal opportunity in an "ownership society." We therefore urge immediate withdrawal of the OTS proposal.

Sincerely,



President/CEO
 Urban League of Greater Muskegon