

From: Erin Ogburn [erinvalentine@hotmail.com]  
Sent: Wednesday, January 05, 2005 6:11 PM  
To: Comments, Regs  
Cc: action@cra-nc.org  
Subject: OTS docket No. 2004-53

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

Attention: No. 2004-53

To Whom it May Concern:

I am writing to oppose your CRA Streamlining Proposal. This proposal contradicts the purpose of the Community Reinvestment Act (CRA) because it will significantly reduce the amount of community development financing and basic banking services in low- and moderate-income communities. You would allow thrift institutions to design their own watered-down Community Reinvestment Act (CRA) exams. The thrifts could eliminate the investment and service parts of the CRA exam, meaning that you would not require them to make investments in or provide branches to low-and moderate-income communities.

Currently, large thrifts with more than \$1 billion in assets have a "three part" CRA exam that consists of a lending test, an investment test, and a service test. Under your proposal, a large thrift can 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 all of the total grade.

The danger with this proposal is that large thrifts can get away with neglecting pressing community needs. The "design your own easy CRA exam" option will increase the amount of abusive payday loans, check cashing, and other high cost services in low- and moderate-income communities since thrifts will reduce their provision of basic banking services after implementing their own easy exams.

At the same time, your proposal would allow thrifts to finance community development of affluent communities, not lower income neighborhoods, in rural areas and areas afflicted by natural disasters. This is contrary to the purpose of CRA to combat redlining of low- and moderate-income communities.

Please withdraw your proposal. It is so ill-conceived that you are the only agency out of four banking agencies proposing it. If you have any questions, please call me at 619-517-5303.

Sincerely,

Erin V. Ogburn  
9 Pinyon Pl  
Durham, NC 27707

cc Community Reinvestment Association of North Carolina (CRA-NC)