
From: Robert Warwick [rswarwick@earthlink.net]
Sent: Monday, January 24, 2005 2:06 PM
To: Comments, Regs
Subject: 2004-53, 2004-54

Office of Thrift Supervision
Washington, D.C.

Re: **2004-53, 2004-54**

I strongly oppose the Office of Thrift Supervision's proposed changes to its Community Reinvestment Act regulations.

As one of the Federal Home Loan Bank System's original twelve community investment officers in the late 1970s, I saw first-hand the early benefits of a vigorously enforced CRA in both urban and rural communities. Later, with the advent of the Bank System's Affordable Housing Program, CRA continued to be a vital tool for community development. Carefully crafted amendments in 1995 updated the regulatory structure of CRA without compromising its effectiveness.

I am especially concerned about the disastrous consequences adoption of these proposed changes would have in rural America. My observations about the importance of CRA in rural America come both from my own professional experience in the Southeast for nearly 25 years as the Federal Home Loan Bank of Atlanta's community investment officer, and from my exposure to the work of a wide variety of rural CDCs from all parts of the country as a member of the Local Initiatives Support Corporation's Rural Advisory Committee, both before and after my retirement from the Bank System.

Though urban areas have been perceived as CRA's primary beneficiaries, CRA's impact has been especially pronounced in rural America, where larger banking institutions have little or no presence. In smaller towns and rural areas, locally based thrifts and community banks have been significantly motivated under current CRA regulations to seek out and take advantage of lending, investment, and service opportunities that benefit low- and moderate-income households and areas within their communities. Unfortunately, OTS's latest proposals will virtually eliminate CRA as an effective incentive in rural America. By eliminating the requirement that savings institutions meet the credit needs of low- and moderate-income people and places in rural areas and by awarding credit for any activity in a rural area, these proposals will seriously threaten current partnerships between rural community developers and local thrifts, and dramatically diminish the chances for future affordable housing and community development partnerships in rural areas.

In the course of its 27-year history, CRA has proven remarkably successful, without ever mandating a single loan, investment, or service. It has been especially effective in rural America, where several thousand rural community developers have relied on it to help them attract the participation of their local financial institutions. Please do not jeopardize the futures of these community developers and the rural communities they serve. I respectfully ask that you withdraw these proposals.

Sincerely,

Robert S. Warwick

3/11/2005

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