



C A C L V

20 January 2005

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

Attention: No. 2004-53 & 2004-54

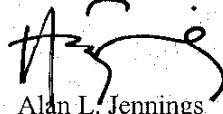
To Whom It May Concern:

The Office of Thrift Supervision's proposed regulation allowing its regulated institutions to abandon the investment and service tests under the Community Reinvestment Act is a gross abuse of the OTS's regulatory responsibility. It is difficult for me to imagine how a bank would be able to meet its obligation under CRA without meeting the tests the OTS proposes being eliminated. The fact that OTS is alone among the four regulators in proposing these changes demonstrates how far out of the CRA regulatory mainstream the agency is placing itself.

Our agency has many years of successful partnerships with banks serving our market here in eastern Pennsylvania. There is no doubt, though, that these partnerships would simply not exist without a strong Community Reinvestment Act. Under the OTS proposal, more complicated community development investments like effective utilization of the federal Low-Income Housing Tax Credits would surely be lost. Also, the siting of branches would surely be even more focused in upper-income, suburban communities than is currently the case. For example, Sovereign Bank, an OTS-regulated bank in our market, currently has only one branch located in a downtown central business district or low-income neighborhood among our three cities of Allentown, Bethlehem and Easton. A weakened service would surely result in even weaker results under the OTS proposal.

We join the National Community Reinvestment Coalition in strongly objecting to the proposed rule and thank you for the opportunity to comment.

Sincerely,



Alan L. Jennings
Executive Director

cc: National Community Reinvestment Coalition

Community Action Committee of the Lehigh Valley

1337 East Fifth Street, Bethlehem PA 18015 ♦ Phone: 610-691-5620 ♦ Fax: 610-691-6582 ♦ www.caclv.org