



**Esperanza Community Housing Corporation**

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December 21, 2004

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

**Attention: No 2004-53 & 2004-54**

**To Whom it May Concern:**

**I am opposed to your proposal because it will result in considerably less community development financing and basic banking services in low-income and moderate-income communities.**

**Under your proposal thrift institutions would be allowed 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. 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.**

**You also propose to reduce opportunities for community groups and citizens to meet with thrifts and your agency to discuss CRA and anti-predatory lending issues when thrifts are merging.**

**Over the years, CRA has been effective because the banking agencies have issued regulations in a careful and uniform manner. Once again your unilateral and reckless proposal threatens the gains in community revitalization made possible by CRA. We urge you to withdraw this latest proposal, which is so ill conceived that it has not been issued by other banking agencies.**

**Sincerely,**

  
**Sister Diane Donoghue  
Executive Director, ECHC**

**cc National Community Reinvestment Coalition  
California Reinvestment Coalition**