

From: Gina Chamberlain [Gina@FAHE.ORG]
Sent: Tuesday, January 11, 2005 3:38 PM
To: Comments, Regs
Cc: ssidhiqi@ncrc.org
Subject: OTS CRA proposed changes

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

Attention: No. 2004-53 & 2004-54

To Whom it May Concern:

Your proposal will result in considerably less 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. 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. The Federation of Appalachian Housing Enterprises' work is concentrated in the rural areas of central Appalachian and we do not see any benefit of allowing rural areas without the maintaining the requirement for low and moderate income communities. These proposed changes are 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. Our region already receives very little benefit from CRA and these proposed changes will only assist predatory lenders in our communities by encouraging the responsible lenders to move to more affluent communities, leaving fewer responsible alternatives to predatory lenders.

Please withdraw your proposal. It will have a negative impact within the United States as a whole, by limited the financial options in communities which need it the most.

Sincerely,

Gina Chamberlain

Cc: NCRC

Gina Chamberlain

Director of Public Policy

Federation of Appalachian Housing Enterprises

P.O. Box 908

Berea, KY 40403

phone: 859-986-2321 ext. 114