
From: Stefanie Collins [princessleiaorgana21@yahoo.com]
Sent: Monday, January 24, 2005 3:38 PM
To: Comments, Regs
Subject: Docket No. 2004-53

Regulation Comments
Chief Counsel's Office
Office of Thrift Supervision
1700 G Street, NW
Washington, DC 20552
Attention: No. 2004-53

To Whom it May Concern:

I am writing to oppose your CRA Streamlining Proposal. The CRA's original purpose was in part to create institutions that poor people and people of color, traditionally discriminated against by larger, corporate banking and finance institutions, can use to revitalize their communities and build wealth. Some of these institutions continue to employ very tough standards for loans and accounts that make life difficult for poor people and their communities. The continuance of CRA's rules as they stand is still very much needed today.

This proposed new policies for CRA 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. They would allow thrift institutions to design their own 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. If you have any questions, please call me at 210-534-6638.

Sincerely,

Stefanie Collins

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