

January 14, 2005

Mr. Robert E. Feldman
Executive Secretary
Attention: Comments/Legal ESS
Federal Deposit Insurance Corporation
550 17th St. NW 20429

RE: RIN 3064-AC50

Dear Mr. Feldman:

I have been involved in housing and community development efforts for a non-profit community –based program for 24 years. I can confidently say that WSOS Community Action Commission has been more successful in forging partnerships with community-based banks since the inception of the CRA regulations than we were before.

CRA has been instrumental in increasing homeownership, boosting economic development, and expanding small businesses in Northern Ohio's rural and moderate-income communities. Your proposed changes are contrary to the CRA statute and the intent of Congress and will reduce, if not eliminate, the progress made in community reinvestment. The proposed changes are also contrary to the President's recently stated goal of creating an ownership society. How can an administration simultaneously promote community revitalization while it proposes to dramatically reduce banks' incentive to reinvest in the whole of its community?

The proposed changes, if implemented, will lead to significantly fewer investments in affordable housing, community service facilities, and economic development projects including small business creation or expansion (the source of most jobs in this country). Furthermore, newly exempted banks will curtail efforts to provide affordable banking services, including checking and savings accounts, to consumers of limited incomes.

In Ohio, FDIC oversees 56 institutions with have assets under \$1 billion. This represents 68% of FDIC-regulated lenders currently required to comply with CRA. WSOS has enjoyed a productive relationship with a number of these banks over the years, in housing, small business development, and infrastructure support in rural areas. With no obligation to make investments, these institutions will no longer participate in many community development activities.

We have notified our congressional representatives of our grave concerns over these changes. We have too much work yet to be done to risk losing one of our most productive tools for comprehensive community development.

Sincerely,

Don Corley
Housing Development Coordinator
WSOS Community Action Commission, Inc
Fremont, Ohio

