

From: jarratt [jarratt@jarratt.net]
Sent: Wednesday, January 19, 2005 9:01 PM
To: Comments, Regs
Cc: Tom Udall; Brian Schmitt; Kerwin Tesdell; Joseph W.Trujillo
Subject: RIN #2004-53

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

Attention: No. 2004-53

Dear Counsel:

I am the CEO of New Mexico Community Capital (<http://www.nmccap.org/>), a community development venture capital fund in formation. As you know, thrifts have been very significant investors in this industry. Community Reinvestment Act compliance has been a major motivator for these investments. Your proposal to allow large thrifts to potentially ignore the Investment and Service Tests of the current regulations would eviscerate the motivation for the institutions you regulate to participate in the vital community development work my colleagues and I undertake.

Furthermore, your proposed change in the definition of "community development," which would append "rural areas" to the current definition of community development would injure the industry and NMCC. Its impact would be disproportionately great in New Mexico where many of our prospective investors and investees are in rural areas.

If the changes you propose are withdrawn, I am confident that our fund will secure investments on the order of \$500K from institutions you regulate. If they are adopted, I doubt that we secure any of this capital. Indeed one potential investor is, at present, holding off an investment decision until this matter is resolved.

Please don't hesitate to contact me if you have questions or would like additional information.

Sincerely
Jarratt Applewhite

cc: Rep. Tom Udall
Sen. Pete Domenici

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