



# CITY OF NORTHAMPTON

Mayor Mary Clare Higgins

City Hall  
210 Main Street  
Northampton MA 01060  
(413) 587-1249  
FAX: (413) 587-1275  
mayor@city.northampton.ma.us

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VIA FAX

Office of Thrift Supervision  
General Counsel  
1700 G Street, NW  
Washington, D.C. 20552

Att: No 2004-53

To the Office of Thrift Supervision:

I would like to register my concern and opposition to the proposed rule changes for the Community Reinvestment Act (CRA).

The proposed changes to the definition and accountability changes would result in significantly less CRA investment in low and moderate communities and projects. The rule changes would undermine the primary objective of the CRA to encourage banks to serve low-income communities in their markets. The CRA has successfully increased homeownership and small-business growth, enabling the revitalization of entire communities and is a critical community development tool in underserved, distressed, minority, and rural communities.

I oppose the OTS proposal to consider community development activities that do not primarily benefit low-income people or communities. All federally insured financial institutions should continue to be fully accountable under CRA for making investments and providing services. The three-part test to determine compliance with the CRA should not be reduced because it could result in loss of financing for affordable housing, small business investment, branch offices in low-moderate income communities, and low-cost banking services. Finally, the OTS meeting requirements during mergers should not be reduced in order to ensure adequate input and information sharing with concerned community groups.

If OTS, other federal oversight agencies, and lending institutions believe the CRA process can be improved to better serve low-mod income communities, the rules should not be changed without a complete, inclusive, and collaborative process of consensus building between lenders, all CRA federal agencies, and community development organizations representing low and moderate income people.

Sincerely,

  
Mayor Mary Clare Higgins