

# NORTH CAROLINA BANKERS ASSOCIATION

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January 5, 2005

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

Re: No. 2004-53 – Notice of Proposed Rulemaking – CRA Community Development and Assigned Ratings

Dear Sir or Madam:

The North Carolina Bankers Association (NCBA), a trade organization representing all banks, savings institutions, and trust companies headquartered or doing business in North Carolina, appreciates the opportunity to comment with respect to the agency's proposal to revise the CRA definition of "community development" and provide additional flexibility in assigning CRA ratings. The NCBA supports the proposed revisions and commends the efforts of the OTS to reduce regulatory burden consistent with safe and sound supervision.

The proposal to broaden the definition of what constitutes "community development" for CRA purposes will, if adopted, significantly enhance the ability of savings associations, particularly small institutions in areas where there are limited opportunities to provide qualified CRA loans, investments, or services, to serve the financial needs of rural communities. Too, it will ensure that financial resources remain in rural areas rather than be diverted to other areas in order to meet the requirements of the current, more restrictive, definition of "community development."

The proposal to establish more flexibility in the way that CRA ratings are assigned is a positive step in reducing regulatory burden and is supported by the NCBA. Permitting savings institutions to choose the weights given to their CRA lending, investments, and services will enable large retail savings associations to focus their community reinvestment efforts on those activities needed in the communities they serve.

The North Carolina Bankers Association urges that the Office of Thrift Supervision adopt the proposed CRA revisions. If you require additional information or have any questions, please contact the undersigned at 919/781-7979 or by e-mail at [ed@ncbankers.org](mailto:ed@ncbankers.org).

Sincerely,



Edmund D. Aycock  
Senior Vice President and Regulatory Counsel