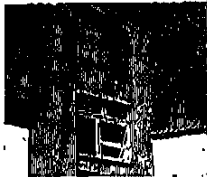




THE NON-PROFIT HOUSING ASSOCIATION OF NORTHERN CALIFORNIA

**THE
VOICE OF
AFFORDABLE
HOUSING
SINCE 1979**



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

Attention: No. 2004-53 & 54

To Whom it May Concern:

I am writing on behalf of the Non-Profit Housing Association of Northern California (NPH) to oppose OTS's proposals No. 2004-53 & 54 because this proposal directly contradicts the purpose of the Community Reinvestment Act (CRA). It will significantly reduce the amount of community development financing and thrift services in low- and moderate-income communities. The notion of a self-designed and greatly diluted CRA exam is likewise contrary to the whole notion of CRA as is the proposal to allow all savings and loans to neglect low- and moderate-income neighborhoods.

Founded in 1979, NPH is a 500+ member association made up primarily of non-profit organizations sponsoring, developing, owning or managing rental or cooperative housing for low-income people. The membership of NPH draws together the main public, private, and non-profit partners active in the creation and support of affordable housing for low-income people in California.

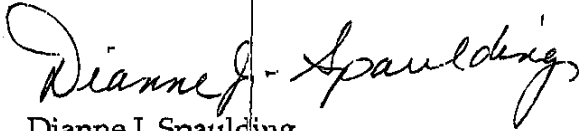
Allowing large thrifts to eliminate either their investment, lending or service tests would have a detrimental effect on affordable housing and low-income communities served by our members. In specific, much of the affordable housing being developed around the nation involves Low-Income Housing Tax Credits. Clearly, if OTS allows thrifts to eliminate their investment tests, they will not be required to invest equity in affordable rental housing. Likewise, eliminating the lending test would remove the CRA obligation for debt financing of affordable housing.

Over the years, CRA has been effective because the banking agencies have issued regulations in a careful and uniform manner. This unilateral and reckless proposal threatens the gains in community revitalization made possible by CRA. We urge you to withdraw this latest proposal, which is so ill-conceived that it has not been issued by the other banking agencies.

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If you have any questions, please call me at 415-989-8160 x13.

Sincerely,

A handwritten signature in cursive script that reads "Dianne J. Spaulding". The signature is written in black ink and is positioned above the typed name and title.

Dianne J. Spaulding
Executive Director

cc. National Community Reinvestment Coalition
California Reinvestment Coalition