



Office of Thrift Supervision

Department of the Treasury

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Because of the volume of comments received on No. 2004-53, OTS is posting the comments received on this proposal in a different format to allow the agency to post comments more efficiently. Where identical comments have been received from more than one individual, the template letter will be posted with a link to an alphabetical list of those submitting that comment ("signatories"). Originals of all comments received may be reviewed at the agency under the procedures described in the notice of proposed rulemaking. This procedure affects only the posting to the website and does not affect how comments will be counted and considered -- each individual's comment will still be treated separately.

The list of signatories to this comment may be found [here](#).

To Whom it May Concern:

I am writing to oppose your CRA Streamlining Proposal. This proposal contradicts the purpose of the Community Reinvestment Act (CRA) because it will significantly reduce the amount of community development financing and basic banking services in low- and moderate-income communities. You would allow large thrift institutions (aka S&L's) to design their own watered-down CRA exams. Letting the thrift industry police itself would put the foxes in charge of the henhouse. Large thrifts would not be required to make investments in or provide branches to low- and moderate-income communities.

Currently, banks and thrifts are graded to make sure they are fulfilling their obligations under CRA to serve low- & moderate-income communities. The CRA exam for large thrifts with more than \$1 billion in assets includes three parts - lending, investment, and service tests. Under your proposal, large thrifts will be allowed to eliminate their investment or service tests or decide how heavily to weight each part, as long as lending does not fall below 50% of the total test. Allowing large thrifts to design their own exams makes a mockery of CRA's intent, which is to ensure banks and thrifts uphold their responsibilities to serve all citizens.

At the same time, your proposal would allow large thrifts to receive community development credit for investing in affluent communities, not lower income neighborhoods, in rural areas and areas afflicted by natural disasters. This is a slap in the face to CRA's basic purpose of stopping redlining of low- and moderate-income communities. The CRA has changed banks and thrifts for the better by preventing them from discriminating against poor and minority loan applicants. If CRA is weakened, banks and thrifts will reduce their commitments to serve all citizens. More consumers will be forced into predatory lending traps such as subprime mortgages, payday loans, and high-priced check cashing services.

Sincerely,

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