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Sent: Friday, January 14, 2005 12:32 PM
To: Comments, Regs
Cc: "Dianne Quast"@relay1.mail.twtelecom.net; jfalcusan@nahro.org
Subject: 2004-53 / RIN 1550-AB48

I would like to take this opportunity to comment on the Office of Thrift Supervision's notice of proposed rulemaking concerning the Community Reinvestment Act (CRA) regulations.

Please stop the potential erosion of the Community Reinvestment Act (CRA). Banks and thrifts have an obligation to serve all segments in their community. I remember the struggles of the low-income in communities prior to the enactment of the CRA act. I remember redlining and fighting to get funding in certain neighborhoods. I remember the deplorable housing conditions for the poor. I remember working very hard to gain commitments from lending institutions in the name of CRA for our communities in the State of Washington.

In particular I ask that you protect the Low Income Housing Tax Credit Program by maintaining the CRA examination's investment test. Preserve banking services for low and moderate income communities. Prevent the return of redlining. Reject a proposal to redefine community development as almost any community service targeted toward rural areas regardless of whether the individuals or areas served are low or moderate income.

Banks and thrift institutions did not voluntarily practice CRA when they were not regulated and held accountable. What makes you think they will continue the practice if CRA goes away. The slow erosion of this requirement is already showing a lack of interest on the part of many institutions to be involved. We see fewer and fewer of them asking for business, being willing to participate in low income lending programs and (a high presidential priority) homeownership programs. They talk a good story (as in the past) because they have less accountability. Don't push us back in time. Don't abolish the services test, which would eliminate the incentive for banks to place branches in low and moderate income neighborhoods. In the past few years' two major banks have closed branches in low and moderate income neighborhoods in Spokane Washington and one of them pulled out of the Spokane market all together.

CRA is good business for banks and has been proven very profitable and isn't that the real bottom line.

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Thank you.

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