

Proposed CRA regulations -- No. 2004-53
From: Rafie Podolsky
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Sent: Thursday, January 20, 2005 11:26 PM
To: Comments, Regs
Subject: Proposed CRA regulations -- No. 2004-53

January 20, 2005

To: Office of Thrift Supervision
Re: Proposed CRA regulations -- No. 2004-53

To whom it may concern:

I am writing you on behalf of low-income residents in the state of Connecticut. The Community Reinvestment Act has proved itself essential in encouraging a wide range of financial institutions to develop lending services which meet the needs of low and moderate income households. Without the presence and pressure of the CRA, lending institutions often prefer to serve a relatively higher income, "safer" market. Savings and loan associations are a particularly important part of the lender market because they have traditionally focused on home lending. It is important that their commitment to CRA principles not be reduced.

We oppose OTS's proposed rule change because it would weaken the CRA obligations of thrifts. First, it would allow large thrifts to opt out of investment and banking services examinations under the CRA. These examinations are helpful in inducing investment and services in low and moderate income communities. Second, it would allow savings and loan associations in rural areas to serve any income population, thereby undercutting the purpose of CRA, which is to assure that a fair portion of lender resources will be directed to low and moderate income households and areas.

As a result, we urge the Office of Thrift Supervision to withdraw these proposed changes in its CRA regulations.

Thank you very much for your consideration of these comments.

Sincerely,

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