

**Shenk, Debbie**

901

**From:** SMFS [smfs@cox-internet.com]  
**Sent:** Wednesday, January 19, 2005 11:47 AM  
**To:** Comments, Regs  
**Subject:** No. 2004-53 & 2004-54

January 18th, 2005

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

Attn: No. 2004-53 & 2004-54

To whom it may concern:

We strongly oppose the Office of Thrift Supervision's (OTS) proposed changes to current Community Reinvestment Act (CRA) regulations. The proposed changes would eliminate all incentives for banks to invest in low and moderate income rural communities, further undermining the spirit of the law to protect communities from redlining and other discriminatory activities. A further weakening of the CRA for banks with over a billion dollars in assets will be disastrous for rural communities across America.

As a community development organization with over 35 years of experience, we have found that banks have opportunities to meet the investment, service and lending portions of the CRA exam in urban and rural areas through partner community development organizations. Banks absolutely should NOT be given the opportunity to limit their investment and service in lower income and rural communities through a CRA exam that provides a flexible ratings system.

The investment and service components of the CRA exam encourage innovation, unique partnerships, and community development opportunities that, in the long run, benefit the bank through new clients, an improved business sector, and higher-quality loans.

Sincerely,

Lorna Bourg, Treasurer  
Southern Mutual Financial Services, Inc.  
(337) 367-3277