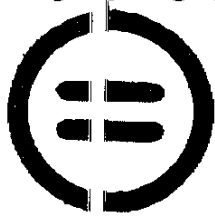


Chief Counsel's Office

Office of Thrift Supervision



Urban League of Pittsburgh

Empowering Communities. Changing Lives.

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Petition Urging the Immediate Withdrawal of the Office of Thrift Supervision's Proposal to Amend Community Reinvestment Act Regulations

We, the undersigned, are in agreement with the statement issued by the National Urban League strongly opposing proposed changes to the CRA and urging immediate withdrawal of the proposal by the Office of Thrift Supervision (OTS).

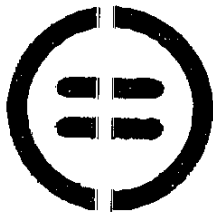
The OTS proposal allows large thrift institutions to design their own watered-down Community Reinvestment Act exams. It would allow a large thrift to choose to eliminate its investment and service tests, and thus only have to pass a lending test. Or, it can choose to have miniscule investment and service tests, meaning that the lending test counts for virtually the entire grade. In the end, thrifts would be allowed to neglect the pressing needs in their communities—thus failing to fulfill their responsibility to enforce the CRA. For example, if a thrift eliminates their investment tests, they will not be required to finance affordable rental housing through Low Income Housing Tax Credits, or finance small businesses through equity investments. Thrifts could also abolish their service tests and not be required to place or maintain branches in low and moderate income communities, thus leaving the residents prey to abusive payday loans, check cashing, and other high cost banking services.

In addition, the proposal allows all savings and loans to serve affluent neighborhoods, and neglect low and moderate income neighborhoods, in rural areas and areas impacted by natural disasters. This is contrary to the purpose of the CRA to fight against the redlining of low and moderate income communities. And finally, the OTS proposal would reduce opportunities for community groups and citizens to meet with thrifts and the OTS to discuss CRA and anti-predatory lending issues when thrifts are merging.

Between 1979 and 2002, the percent of all conventional loans in foreclosure in Pennsylvania increased from 12% to 1.43%. The fact that Pennsylvania now has the seventh highest foreclosure rate in the nation is alarming! The majority of these foreclosures are in low and moderate income and African-American communities. A report entitled, Choices in Pennsylvania – Developing a Rational Framework for Housing Investment in Pennsylvania attributes the escalating foreclosure rate to abusive lending practices. These are the types of practices CRA was drafted to prevent; the OTS proposal would only exacerbate this epidemic.

We view the proposed severe weakening of the CRA by the OTS as an attack on the key civil rights law that is vital if we are to promote equal opportunity in an "ownership society." We therefore urge immediate withdrawal of the OTS proposal.

1. Lebra Squires
2. Debra S. Dame
3. Terri A Hill Spell
4. Brenda Milnes



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5. Dennis Johnson

6. Cynthia Neal

7. Chontel Wallace

8. Michelle Horner

9. Carolyn Etta Ware

10. Tim Owens

11. Erica L. Gubler

12. Raymond A. Williams

13. Yvette Washington

14. Romon Samuels

15. Nancy Spell

16.