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To: Comments, Regs

Cc: senator@clinton.senate.gov; senator@schumer.senate.gov

Subject: Docket numbers 2004-53 & 54

With respect to the above referenced matter, please be advised that the diminution or elimination of the current CRA-based incentives for banks to invest in community development initiatives serving low-income populations would be exceedingly ill-advised.

Specifically, with regard to the affordable housing initiatives financed with Low Income Housing Tax Credits, the loss of the pool of investors represented by the banks proposed to exempted from current CRA obligations would be disastrous. The LIHTC program is the single largest production finance vehicle for affordable rental housing in the nation.

Like the ill-conceived initiative to exempt corporate dividends from income tax that was briefly floated last year, any change in public policy designed to serve a limited special interest group, such as the banking industry, must be viewed in the context of its broader impact on the public good. In this instance, the devastating impact that this proposed rule would have on the already inadequate supply of affordable housing across the country cannot be justified.

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