



# M I L W A U K E E U R B A N L E A G U E

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January 24, 2005

Regulation Comments  
Chief Counsel's Office  
Office of Thrift Supervision  
1700 G Street, N.W.  
Washington, D.C. 20552  
Attention: No. 2004-53  
By Fax: 202-906-6518  
By e-mail: [regs.coments@ots.treas.gov](mailto:regs.coments@ots.treas.gov)

Re: No. 2004-53—Proposed Changes to Community Reinvestment Act  
Regulation of the Office of Thrift Supervision.

Dear Sir or Madam:

This is written to urge you to immediately withdraw your proposal concerning the Community Reinvestment Act (CRA). We find that this proposal contradicts the purpose of the CRA because it will significantly reduce the amount of community development financing and thrift services available in low and moderate-income (LMI) communities that the Urban League serves, both locally and nationally.

The OTS proposal allows large thrift institutions to design their own scaled 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, thrifts can choose to have greatly reduced investment and service tests, meaning that the lending test counts for virtually the entire total 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 the Low Income 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 LMI communities, thus leaving the residents vulnerable 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 LMI 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.

We view the proposed severe weakening of the CRA by the OTS as an attack on a key civil rights law that is vital if we are to promote equal opportunity and community development in LMI neighborhoods. We therefore, respectfully urge immediate withdrawal of the OTS proposal.

Sincerely,

A handwritten signature in black ink, appearing to read "Ralph Hollmon", followed by a horizontal line extending to the right.

Ralph E. Hollmon  
President and CEO

RH/tfm