From: Polly Nichol [pnichol@vhcb.org]
Sent: Friday, January 21, 2005 10:37 AM
To: Comments, Regs
Subject: No.2004-53

Dear Office of Thrift Supervision:

I am writing on behalf of the Vermont Housing and Conservation Board to express our serious concern about the proposed rule change (2004-53) to the Community Reinvestment Act.

Working in one of the most rural states in the nation, we have seen firsthand the important role that lenders play in serving lower income communities and households in our state. Therefore, we are particularly concerned about the proposal to expand the definition of "community development" in rural areas to include services targeted to individuals who are not low income. Most rural Vermont communities have a mixture of poor, middle class and even wealthy individuals. Many people with wealth move to Vermont from out of state and settle in rural areas. Community development products are certainly not ones that help the wealthy buy a piece of Vermont, driving up real estate prices for those less affluent. The Community Reinvestment Act was established to direct resources to low and moderate income communities and individuals, whether they be urban or rural.

We also strongly oppose the proposal to allow large savings and loans to opt out of the complying with investment and banking services examinations under CRA. The investment of banks in such vehicles as the low income housing tax credit has been essential to the provision of affordable housing and the economic development spin-off that it spawns. The CRA examinations have been an added incentive for banks to make such investments. The services examination is essential too. The isolation of rural communities and more urban low income neighborhoods increases when banking services are not provided.

Again, we strongly oppose the proposed changes.

Sincerely,
Polly Nichol, Director of Housing Programs, Vermont Housing &
Conservation Board, (802)828-3259