

From: Weeks, Roslyn on behalf of Public Info
Sent: Monday, January 24, 2005 1:41 PM
To: Evans, Sandra E
Subject: FW: No. 2004-53 & 54

-----Original Message-----

From: Jaime Williams [mailto:ballard104@hotmail.com]
Sent: Monday, January 24, 2005 12:46 PM
To: Public Info
Subject: Re: No. 2004-53 & 54

Jaime Williams
147 Hilltop Dr
Four Oaks, NC 27524

January 24, 2005

Director James E. Gilleran
1700 G St NW
Washington, DC 20552

Dear Director Gilleran:

I write in opposition to the 2004-53 and 2004-54 Community Reinvestment Act (CRA) proposal. If enacted, I fear it will significantly reduce the amount of thrift services and community development financing in low- and moderate-income communities. I support a three-part comprehensive exam for thrifts above \$250 million in assets. When implemented properly, CRA addresses the capital needs of poor families and underserved communities.

The danger with this proposal is that large thrifts can neglect pressing community needs without fear of regulatory sanction. If they eliminate their investment tests, they will not be required to finance affordable rental housing via Low Income Housing Tax Credits or New Market Tax Credits. If they do not need to meet a service test, they can remove branches in low- and moderate-income communities. Without the placement of branches in low-income communities, it is likely that residents who need remittances or other low-cost banking services would rely on abusive payday lenders, check cashing outlets, pawn shops, and other high cost services. In addition, the proposal enables savings and loans to neglect low- and moderate-income neighborhoods in rural areas and areas impacted by natural disasters.

Under CRA, banks and thrifts have an affirmative and continual obligation to serve low- and moderate-income communities. Under your proposal, large thrifts can arbitrarily respond to its selected community needs instead of meeting a general community need. If the OTS adopts this proposal, the agency will fail on its responsibility to enforce CRA.

Sincerely,

Jaime Williams
919 934-6254