

**From:**  
**Sent:**  
**To:**  
**Subject:**

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

From: Joseph Scholl [mailto:JScgoll@walpolecoop.com]  
Sent: Tuesday, January 25, 2005 3:40 PM  
To: Public Info  
Subject: Support for the proposed revisions to the Community Reinvestment Act Regulations.

Joseph Scholl  
982 Main Street  
Walpole, MA 02081

January 25, 2005

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

Dear Director Gilleran:

I wish to express my support of the OTS's proposal to reduce regulatory burden by increasing flexibility in meeting my bank's CRA obligations. The proposal would permit retail savings institutions, that don't qualify for the small bank test, to choose the appropriate mix of lending, investment and service activities for their bank and local community. Under the current rules, application of the investment test to community banks is not fair and the rigid requirements do not reflect the limited opportunities in the market.

The proposal will greatly reduce regulatory burden for savings institutions without weakening a commitment to reinvest in their communities. Reinvesting in communities makes good business sense. Making these regulatory exams more streamlined will not change the way community banks do business or reduce the volume of loans. Rather, it will free up human and financial resources that can be redirected to the community and used to originate loans and provide other services.

Under the more flexible CRA exam, savings institutions would still be required to lend to all segments of their communities, but would be able to provide the most appropriate community investment allocation based on the communities they serve. Utilizing this "strategic planning" approach, savings institutions would continue to be evaluated by OTS for compliance to ensure they are not neglecting any segment of their community. It is often extremely difficult for some institutions to find investments which meet the qualified investment test and which are located in their own communities. As a result, many community banks (especially those in rural areas) must invest in statewide or regional projects to meet CRA requirements. These investments actually take resources away from the bank's local community.

The OTS's proposed changes to CRA are a vitally important step in revising and improving CRA regulations and in reducing regulatory burden. While community banks will still be examined under CRA for their record in

helping to meet the credit needs of their communities, the revised method of evaluating banks for CRA compliance would permit financial institutions to tailor their efforts to better meet the needs of the communities they serve.

Thank you for considering my views.

Sincerely,

Joseph V. Scholl  
508 660-6514