



## North Side Community Federal Credit Union

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Regulation Comments  
Chief Counsel's Office  
Office of Thrift Supervision  
1700 G Street, NW.  
Washington, DC 20552

Attention: No. 2004-53

To Whom It May Concern:

North Side Community Federal Credit Union is a 31 year-old community development credit union with a history of serving people who are not using mainstream financial institutions. We are certified as a Community Development Financial Institution (CDFI) by the U.S. Treasury, and have a low-income service designation from NCUA. Our niche is serving the "unbanked," low- and moderate-income people who are in need of financial literacy and budgeting help, in addition to low-cost checking and savings accounts.

I am writing to oppose the proposal changing the Office of Thrift Supervision's regulation of the Community Reinvestment Act (CRA). CRA has helped provide billions of dollars of reinvestment in low-income communities across the country, supplying affordable mortgages for first time homebuyers, capital for small businesses, and affordable savings accounts for low-income households on their first steps to asset building. This proposal amounts to little more than a blatant attack on CRA itself and the principle of basic fairness in financial services that CRA sought to ensure.

I oppose the proposed changes to the assignment of ratings regulation. As it stands CRA encourages thrifts to participate in the communities in which they accept deposits by ensuring that they offer basic access to financial services and promotes investment in affordable housing. Under this proposal, it would be possible for a large thrift's CRA rating to be based 100 percent on lending, and a large institution could get an "outstanding" CRA rating with no consideration of its level of community development services or investments.

I also oppose the changes to the definition of "community development" to include "community services targeted to individuals in rural areas, and activities that revitalize or stabilize rural areas" regardless of the impact to low- and moderate-income people or communities. This would potentially allow thrifts to get CRA credit for financing luxury housing developments or participating in golf course construction if the projects are located in rural areas.

The OTS is wrong to attack the Community Reinvestment Act and it is wrong to discount the need for financial services and community development investments in low-income communities. Please withdraw your proposal.

Sincerely,

Ed Jacob  
Manager

cc: Woodstock Institute