



Office of Thrift Supervision

Department of the Treasury

1700 G Street, N.W., Washington, DC 20552 • (202) 906-6000

Because of the volume of comments received on No. 2004-53, OTS is posting the comments received on this proposal in a different format to allow the agency to post comments more efficiently. Where identical comments have been received from more than one individual, the template letter will be posted with a link to an alphabetical list of those submitting that comment ("signatories"). Originals of all comments received may be reviewed at the agency under the procedures described in the notice of proposed rulemaking. This procedure affects only the posting to the website and does not affect how comments will be counted and considered -- each individual's comment will still be treated separately.

The list of signatories to this comment may be found here.



FamilyService
AGENCY OF SAN MATEO COUNTY

January 18, 2005

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

Attention: No. 2004-53 & 2004-54

To Whom it May Concern:

Your proposal for change to the Community Reinvestment Act Regulations, in our view, will result in considerably less community development financing and basic banking services in low-and moderate-income communities. Thrift institutions, the nation's savings and loans, would be allowed to design their own watered-down Community Reinvestment Act (CRA) exams. Under your proposals, the thrifts could eliminate the investment and service parts of the CRA exam and would not be required to make investments in or provide branches to low-and moderate-income communities. Other aspects of your proposals we do not support are:

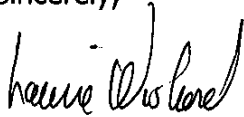
- Reduction in lending, investments, and banking services in low and moderate income communities. Some thrift institutions have billions of dollars – they have the capacity to fulfill their CRA obligations.
- The proposed regulations allow large thrifts more than \$1 billion in assets to pick and choose which community needs they will meet. CRA requires banks and thrifts to meet all needs, not pick and choose among them.
- Large thrifts would design their own watered-down CRA exam under the proposed rules. Currently, large thrifts have lending, investment, and service tests as parts of their CRA exam. Under the OTS proposal, they can eliminate their investment and service tests or make them miniscule tests. Reducing the intensity of the CRA exam process will lead to fewer investments, basic banking services, and branches in low-and moderate income communities.
- Under the OTS proposal, all thrifts can earn CRA points by providing community development financing and services to affluent neighborhoods, while neglecting low and moderate income ones in rural areas and areas impacted by natural disasters. The OTS' proposal removes CRA's focus of meeting the credit needs of low and moderate income communities.

- Under current regulation, the OTS must hold two meetings for community groups and thrifts to discuss fair lending matters when two thrifts are merging. Now, the OTS is proposing that it may or may not grant a meeting at the discretion of the agency.

These proposals are contrary to the purpose of CRA to combat redlining of low- and moderate-income communities.

Please withdraw your proposal. We understand that you are the only agency out of four banking agencies advancing these proposals.

Sincerely,

A handwritten signature in black ink, appearing to read "Laurie Wishard". The signature is written in a cursive, flowing style.

Laurie Wishard, President
Family Service Agency of San Mateo County

Cc: Alliance for Children and Families
National Community Reinvestment Coalition