



GE Capital Consumer Card Co.

January 21, 2005

GE Capital Consumer Card Co.
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By Telefacsimile

Regulation Comments
Chief Counsel's Office
Office of Thrift Supervision
1700 G Street, NW
Washington, DC 20552
Attention: No. 2004-53

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Re: RIN 1550-AB48: Community Reinvestment Act - Community Development, Assigned Ratings

To Whom It May Concern:

We submit this comment letter in response to the notice of proposed rulemaking (the "Proposed Rule") issued by the Office of Thrift Supervision (the "OTS") regarding the regulations implementing the Community Reinvestment Act (the "CRA"). The Proposed Rule was published in the Federal Register on November 24, 2004. Among other things, the Proposed Rule solicits comments on two alternative possible changes to the system used to assign ratings under the CRA to savings associations evaluated under the large retail institution test. The OTS proposes these alternatives to "provide institutions with more flexibility to make their own determinations about how best to serve their communities." 69 Fed. Reg. 68,257 (Nov. 24, 2004). We applaud the efforts of the OTS to provide savings associations with greater flexibility and are pleased to have the opportunity to comment on the Proposed Rule.

Currently, the OTS assigns an overall CRA rating based on a savings association's performance under each of three mandatory tests: the lending test, the service test and the investment test. In general, under the current system for assigning CRA ratings, a savings association's performance with respect to the lending test accounts for approximately fifty percent (50%) of the institution's overall CRA rating. Each of the service test and the investment test accounts for approximately twenty-five percent (25%) of the institution's overall CRA rating.

In the Proposed Rule, the OTS suggests two alternatives to this system. Under the first alternative, fifty percent (50%) of an institution's overall CRA rating would be attributable to the institution's performance under the lending test and the institution would be permitted to allocate, in its sole discretion, the remaining fifty percent (50%) among each of the lending test, the service test and the investment test. 69 Fed. Reg. 68,257, 68,262 (Nov. 24, 2004). Under the second alternative, the OTS would eliminate the investment test as a component of a savings association's overall CRA rating. We limit our comments on the Proposed Rule to the second of these two alternatives.

As further described below, we believe that eliminating the investment test would decrease rather than increase the flexibility of savings associations to serve their communities

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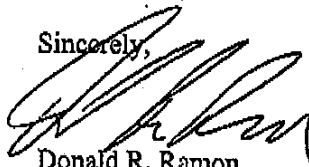
under the CRA in direct contradiction the stated objective of the OTS. Accordingly, we respectfully request that the OTS not eliminate the investment test.

As described above, the objective of the OTS in issuing the Proposed Rule is to provide institutions more flexibility in their CRA compliance. However, by eliminating the investment test and thereby reducing the variety of mechanisms through which savings associations can meet their CRA obligations, the OTS would narrow rather than expand the flexibility provided to savings associations.

The investment test can be a valuable tool in the service of community development and there are savings associations well suited to the investment test just as there are savings associations well suited to the lending test. The goals of the CRA are best served by allowing savings associations to draw on their particular strengths and resources to respond to the particular needs of their communities. Elimination of the investment test would fail to recognize the diverse business models of savings associations and the diversity of needs among communities served by savings associations. Each savings association has its own strengths based on its financial, operational, managerial and other resources. Some savings associations may have the investment expertise and financial resources necessary to make investments that would greatly benefit their communities. Thus, for such institutions the investment test provides an important opportunity to satisfy their CRA obligations. Further, the needs of some communities are best met through investments. By eliminating the investment test, some savings associations would no longer get credit for providing the community development benefits they are best able to provide, which would be detrimental to such savings associations. Also, if savings associations do not get credit for investments, which might be the best form of CRA activity for a particular community, savings associations may choose to stop making investments. In this respect, elimination of the investment test could damage both savings associations and the communities they serve.

Once again, we appreciate the opportunity to comment on the Proposed Rule. If you have any questions concerning the comments contained in this letter, or if we may otherwise be of assistance in connection with this issue, please do not hesitate to call me at the number indicated above or our outside counsel, Joel Feinberg, at (202) 736-8473.

Sincerely,



Donald R. Ramon

President and CEO