

## ***Spokane Low Income Housing Consortium***

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December 27, 2004

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**Dianne Quast**  
Spokane Housing  
Authority

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

Attention: No. 2004-53 & 2004-54

Your proposed changes to the Community Reinvestment Act regulations contradict the purpose of the CRA because it will significantly reduce the amount of community development financing and thrift services in low- and moderate-income communities. Your proposal allows large thrifts to reduce or eliminate its investment and service tests in CRA exams. It also allows all savings and loans to serve affluent neighborhoods, and neglect low- and moderate-income neighborhoods, in rural areas and areas impacted by natural disasters.

Under your proposal, large thrifts will neglect pressing community needs. They will not be required to finance affordable rental housing via Low Income Housing Tax Credits or finance small businesses via equity investments. Large thrifts will not be required to place or maintain branches in low- and moderate-income communities. The thrifts can also ignore the needs for remittances and other low-cost banking services. The amount of abusive payday loans, check cashing, and other high cost services in low- and moderate-income communities will increase.

Under CRA, banks and thrifts have an affirmative and continual obligation to serve low- and moderate-income communities. In your proposal, large thrifts can arbitrarily respond to a few community needs instead of all needs. If the OTS adopts this proposal, you will fail in your responsibility to enforce the CRA.

Large thrifts will suffer no CRA penalty if they provide community development financing to affluent communities, while overlooking low- and moderate-income communities in rural areas impacted by natural disasters.

Finally, you will reduce vital opportunities for community groups and thrifts to meet with your agency to discuss CRA and anti-predatory lending matters when thrifts are merging.

The CRA has been effective because the banking agencies have issued regulations in a careful and uniform manner. Your proposal threatens the gains in community revitalization made possible by CRA. We request that you withdraw this proposal.

Sincerely,

A handwritten signature in cursive script, appearing to read "Cindy Algeo".

Cindy Algeo  
Executive Director  
Spokane Low Income Housing Consortium  
509-325-3235  
slihc@omnicast.net