
From: Gavin, Lillian [LGavin@downneysavings.com]
Sent: Monday, January 24, 2005 5:37 PM
To: Comments, Regs
Subject: 2004-53 CRA - Community Development Assigned Ratings

January 24, 2005

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Regulation Comments
Chief Counsel's Office
Office of Thrift Supervision
1700 G Street N.W.
Washington, D.C. 20552
regs.comments@ots.treas.gov

Re: 2004-53
Community Reinvestment Act - Community Development, Assigned Ratings

Ladies and Gentlemen:

On behalf of Downey Savings and Loan Association, F.A., a federally chartered institution headquartered in Newport Beach, California, we appreciate the opportunity to comment on the proposal issued by the Office of Thrift Supervision ("OTS") that would provide additional flexibility to savings associations in meeting the requirements imposed by the Community Reinvestment Act ("CRA"). We strongly support the OTS' proposal to allow financial institutions to determine the relative weights to be applied to the lending, investment and service tests.

The proposal is consistent with the congressional intent of the CRA, which is to encourage depository financial institutions to help meet the credit needs of the local communities we serve. We believe that the proposal provides financial institutions with the flexibility needed to align community reinvestment activities with the institutions' business focus, experience and expertise while still meeting the congressional intent of the CRA.

In its proposal, the OTS requests comments on whether the investment test should be eliminated in its entirety. While we believe there is no statutory basis for the investment test, we believe that as long as the OTS adopts a rule that permits institutions to determine their own weighting, then the test should remain as a viable alternative, not a requirement, to financial institutions that have the expertise and want to complement their community reinvestment activities with investments.

Sincerely,

/s/ Lillian E. Gavin
Executive Vice President

3/15/2005

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