

From: Juli Miller [jmillier@cclfcchicago.org]
Sent: Wednesday, December 15, 2004 6:28 PM
To: Comments, Regs
Subject: Docket No. 2004-53

Juli Miller
Program Assistant
Chicago Community Loan Fund
29 East Madison
Chicago, IL 60602

December 15, 2004

Office of Thrift Supervision
Chief Counsel's Office, OTS
1700 G Street, NW
Washington, DC 20429

Dear Office of Thrift Supervision:

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

RE: No. 2004-53

To Whom It May Concern:

As a member of the National Community Capital Association and on behalf of Chicago Community Loan Fund (CCLF), 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.

The Office of Thrift Supervision will create a watered-down, ineffective CRA exam for the nation's savings associations, in direct opposition of Congressional intent of the law if it enacts these regulations.

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 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 receive CRA credit for financing luxury housing developments or participating in golf course construction if the projects are located in rural areas.

CCLF is a nonprofit community development loan fund that has worked extensively on community reinvestment regulation. Our mission is to provide low-cost, flexible financing to nonprofit community development organizations for affordable housing, economic development and social service initiatives in low- and moderate-income neighborhoods throughout the Chicago metropolitan area. To date, the fund has closed 104 loans totaling over \$16 million in financing, which in turn has leveraged over \$254 million in additional public- and private sector capital for those community projects. The watered-down language in the proposal threatens to limit access to capital for bona fide community development projects that actually benefit the low- and moderate-income neighborhoods that we—and other nonprofit loan funds like CCLF—serve.

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,

Juli Miller
312.252.0440, ext. 205
Program Assistant
Chicago Community Loan Fund