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Office of Thrift Supervision  
Fax: (202) 906-6518.

Attention: No. 2004-53 & 2004-54

To Whom it May Concern:

Your proposal contradicts the purpose of the Community Reinvestment Act (CRA) in that it will significantly reduce the amount of community development financing and thrift services in low- and moderate-income communities. The proposal under consideration will allow large thrifts to design watered-down CRA exams. The impact on cities such as Buffalo will be considerable. The proposal will allow savings and loans to serve affluent neighborhoods while neglecting those low- and moderate-income neighborhoods traditionally underserved by the prime banking industry.

Under CRA, banks and thrifts have an affirmative and continual obligation to serve low- and moderate-income communities. Under your proposal, large thrifts can arbitrarily and capriciously respond to a few community needs instead of all needs. If the Office of Thrift Supervision (OTS) adopts this proposal, the agency will fail on its responsibility to enforce CRA and undo the great gains that have been made because of CRA.

Enacting the proposal would 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. In Buffalo we rely on these meetings to keep the needs of our community in the forefront.

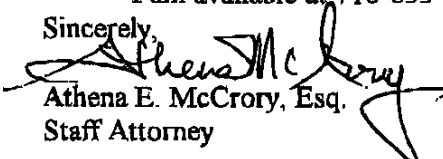
Under current regulation, your agency is required to hold two meetings to ensure that all facts and impacts of proposed mergers are thoroughly vetted. Your proposal would allow the OTS, at its own discretion, to hold only one meeting or to decline to hold a meeting. This is inadequate as merging institutions often conceal important data and information regarding CRA and fair lending compliance, and will only provide this information if repeatedly prodded by community groups during meetings with the regulatory agency.

Over the years, CRA has been effective because the banking agencies have issued regulations in a careful and uniform manner and because they have been monitored on a complement of services rather than on the one or two they feel like pursuing.

I urge you to withdraw this latest proposal. It has not been considered by other banking agencies and should not be approved by you, as its approval would harm the very people it is ostensibly in place to protect.

I am available at 716-853-9555 ext 555 to discuss this matter more fully.

Sincerely,

  
Athena E. McCrory, Esq.  
Staff Attorney