

# STOP BUSH'S PLAN TO DE-REGULATE S&L's

The Bush Administration's second term assault on legislation that favors communities over the needs of big business has begun. In their crosshairs is the Community Reinvestment Act (CRA), enacted in 1977. CRA requires banks and thrifts to provide banking services to low income neighborhoods. The Office of Thrift Supervision is accepting public comment through January 24, 2005 (e-mail to [regs.comments@ots.treas.gov](mailto:regs.comments@ots.treas.gov), include No. 2004-53 in subject line) on proposed changes to how CRA is enforced.

Putting the foxes in charge of the henhouse is a favored tactic of the Bush Administration. Now, they want to weaken legislation that's widely heralded as a success. CRA has funneled more than \$1.5 trillion into low income neighborhoods since its inception. These investments have funded affordable housing, medical clinics, and other worthy community development projects.

You can take action to stop these proposed changes to CRA. Express yourself by sending comment via letter, fax or e-mail to the Office of Thrift Supervision. This is a fight our nation's communities can't afford to lose.



## COMMENTS ARE DUE BY JANUARY 24, 2005!

To sign an on-line form letter, go to <http://www.ncrc.org>. To learn more about the Community Reinvestment Act or join the campaign to save CRA, go to <http://www.cra-nc.org>.

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

Send by Fax: (202) 906-6518

To Whom it May Concern:

I am writing to oppose your CRA Streamlining Proposal. This proposal contradicts the purpose of the Community Reinvestment Act (CRA) because it will significantly reduce the amount of community development financing and basic banking services in low- and moderate-income communities. You would allow large thrift institutions (aka S&L's) to design their own watered-down CRA exams. Letting the thrift industry police itself would put the foxes in charge of the henhouse. Large thrifts would not be required to make investments in or provide branches to low- and moderate-income communities.

Currently, banks and thrifts are graded to make sure they are fulfilling their obligations under CRA to serve low- & moderate-income communities. The CRA exam for large thrifts with more than \$1 billion in assets includes three parts - lending, investment, and service tests. Under your proposal, large thrifts will be allowed to eliminate their investment or service tests or decide how heavily to weight each part, as long as lending does not fall below 50% of the total test. Allowing large thrifts to design their own exams makes a mockery of CRA's intent, which is to ensure banks and thrifts uphold their responsibilities to serve all citizens.

At the same time, your proposal would allow large thrifts to receive community development credit for investing in affluent communities, not lower income neighborhoods, in rural areas and areas afflicted by natural disasters. This is a slap in the face to CRA's basic purpose of stopping redlining of low- and moderate-income communities. The CRA has changed banks and thrifts for the better by preventing them from discriminating against poor and minority loan applicants. If CRA is weakened, banks and thrifts will reduce their commitments to serve all citizens. More consumers will be forced into predatory lending traps such as subprime mortgages, payday loans, and high-priced check cashing services.

Sincerely,

Name

Address

Phone #

E-mail

City

Zip

*Walter Davis*

WALTER DAVIS

1525 Barbra Estates Dr.

865-984-6500

Seymour TN Zip 37865