

From: Joshua Channell [shua98@yahoo.com]
Sent: Monday, January 10, 2005 9:40 AM
To: Comments, Regs
Subject: Attention: No. 2004-53 & 2004-54

Dear Sirs:

I strongly oppose the OTS proposal to weaken CRA requirements. It is essential that large institutions remain accountable for investments and services as well as their lending. I fear that if these proposals are adopted, there will be less funding and financing available for urban and rural community developers in the U.S. Great progress has been made in redevelopment of distressed neighborhoods in recent years and much of this is due to the strength of the CRA. However, this proposal allows savings and loans to serve affluent neighborhoods, and neglect low- and moderate-income neighborhoods, in both urban and rural areas and areas impacted by natural disasters.

The danger with this proposal is that large thrifts can get away with neglecting pressing community needs. If they eliminate their investment tests, they will not be required to finance affordable rental housing via Low Income Housing Tax Credits or finance small businesses via equity investments. At the same time, thrifts can abolish their service tests and not be required to place or maintain branches in low- and moderate-income communities. With no service test, the thrifts can also ignore the needs for remittances and other low-cost banking services. The "design your own easy CRA exam" option will increase the amount of abusive payday loans, check cashing, and other high cost services in low- and moderate-income communities since thrifts will reduce their provision of basic banking services after implementing their own easy exams.

Finally, 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. Any proposal regarding changes to the CRA (or any other governmental decision involving low and moderate income communities) should work towards improving public access, not removing it.

Congress enacted CRA in order to stop redlining and disinvestment from low- and moderate-income communities. Under your proposal, 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 and

areas impacted by natural disasters.

If you have any questions, I would be happy to discuss my opinions further. Please do not hesitate to call me at (617) 413-1589.

Sincerely,

Joshua Channell

Malden, Massachusetts.

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