



OFFICE OF THE MAYOR
CITY OF CHICAGO

RICHARD M. DALEY
MAYOR

January 18, 2005

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Regulation Comments
Chief Counsel's Office
Office of Thrift Supervision
1700 G Street, N.W.
Washington, D.C. 20552

Attention: No. 2004-53

To Whom It May Concern:

As Mayor and on behalf of the City of Chicago, I write to oppose the proposed changes to the Office of Thrift Supervision's regulation of the Community Reinvestment Act (CRA). CRA is a critical tool in the City's efforts to strengthen neighborhoods and enhance affordability. As encouraged by CRA, many banks partner with the City to encourage neighborhood development, decrease foreclosures, promote financial literacy, and increase the utilization of mainstream financial services.

The OTS proposal is the most recent in a series of proposed changes to CRA and is perhaps the most extreme. I am opposed to the provision that would allow a large savings association to eliminate the investment and service requirement from their CRA exam. The investment and service requirements have been useful in encouraging investment in affordable housing and services to low-income people.

In a number of city neighborhoods, new bank branches have become anchors of new commercial strips. Equally important are the services provided by regulated financial institutions in traditionally underserved areas. Mainstream services take the place of substandard financial products, including high cost check cashing, payday loans, and predatory mortgage loans. I do not believe banks would maintain their current levels of investment and service activity under a weakened CRA. I urge the OTS to withdraw its proposal.

Sincerely,

Mayor