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*Supporting CDCs. Strengthening Neighborhoods.*

April 2, 2004

Docket No. 04-06  
 Communications Division  
 Public Information Room, Mailstop 1-5  
 Office of the Comptroller of the Currency  
 250 E St. SW,  
 Washington 20219

Docket No. R-1181  
 Jennifer J. Johnson  
 Secretary  
 Board of Governors of the Federal Reserve System  
 20th Street and Constitution Avenue, NW  
 Washington DC 20551

Robert E. Feldman  
 Executive Secretary  
 Attention: **Comments**  
 Federal Deposit Insurance Corporation  
 550 17th St NW  
 Washington DC 20429

Regulation Comments, Attention: No. 2004-04  
 Chief Counsel's Office  
 Office of Thrift Supervision  
 1700 G Street NW  
 Washington DC 20552

Dear **Officials** of Federal Bank and **Thrift** Agencies:

**As a member** of the National **Community** Reinvestment Coalition **and** of the National Congress for **Community** Economic Development, the Philadelphia Association of Community Development Corporations (**PACDC**) urges you to withdraw the proposed changes to the **Community** Reinvestment Act (CRA) regulations. **CRA** has been instrumental in increasing access to homeownership, boosting economic development, and expanding small businesses in the **nation's minority**, immigrant, and **low-** and moderate-income communities. Your proposed changes will halt the progress made in community **reinvestment**.

**The** proposed **CRA** changes will thwart the Administration's goals of improving the economic status of immigrants and creating 5.5 million new minority **homeowners** by the end of the decade. Instead, **the** proposed **CRA** changes might encourage predatory lending and reduce the ability of the **general** public to **hold** financial institutions accountable for compliance with consumer protection laws.

**The** proposed changes include three major elements: 1) provide streamlined and cursory **exams** for **banks with** assets between \$250 **million** and \$500 million; 2) establish a weak predatory lending compliance standard under **CRA**; and 3) expand data collection and reporting for small business and home **lending**. **The** beneficial **impacts** of **the** third proposal are **overwhelmed** by the damage imposed **by** the first two proposals.

Other organizations, including **NCRC**, have commented in detail **on the** damage **that** would **be** done **by** these proposals. I will not reiterate these comments, which we **fully** endorse.

The proposed changes to CRA will **directly** undercut the **Administration's** emphasis **on minority** homeownership and immigrant access to jobs and banking **services**. **The** proposals regarding streamlined **exams** and the anti-predatory lending standard threaten **CRA's** statutory purpose of the safe **and sound provision of** credit and deposit services. **The proposed** data enhancements **would become** much more meaningful if the agencies update procedures regarding **assessment** areas, affiliates, **and** the treatment of high cost loans and **purchases** on CRA **exams**. **CRA** is simply **a law that** makes capitalism **work** for all Americans. **CRA** is too vital **to be gutted by** harmful **regulatory** changes and neglect.

**Thank you** for **your** attention.

Sincerely,



**Susan Sierra**  
Policy Coordinator

Cc: **President George W. Bush**  
**Treasury Secretary John Snow**  
National **Community** Reinvestment Coalition