

CORINTHIAN HOUSING DEVELOPMENT CORPORATION

NON-PROFIT ORGANIZATION

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April 6, 2004

Ms. Jennifer Johnson, Secretary
Federal Reserve Bank
Board of Governors of the Federal Reserve System

Dear Ms. Johnson,

Corinthian Housing Development Corporation 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**, and low and moderate-income communities. Proposed changes would halt the progress made in **community** reinvestment, facilitate predatory lending and reduce the ability of the general public to hold financial **institutions** accountable for compliance with consumer protection laws.

Proposed changes will eliminate the investment **and** service parts of the **CRA exam** for banks **and** thrifts with **assets** between **\$250 and** \$500 million, translating into considerably less access to **banking** services **and** capital for underserved communities. For example, these banks would no longer be held accountable for investing in Low Income **Mousing Tax** Credits - a major source of affordable housing.

Proposed **CRA** changes **will** actually perpetuate abusive lending. The proposed standard states that loans based on the foreclosure value of the collateral, instead of the ability of the borrower to repay, **can** result in downgrades in **CRA ratings**. **This** standard would fail to cover **many** instances of predatory lending.

These proposed changes regarding streamlined exams **and** the **anti**-predatory lending standard threaten CRA's statutory purpose. CRA is too vital to be gutted by harmful regulatory changes and neglect. On behalf of the communities **we** represent, thank you for your attention to this critical matter.

Sincerely,

A handwritten signature in black ink, appearing to read "Dwight Walker", is written over a light gray rectangular background.

Dwight Walker,
Executive Director/CEO