From: Cindy Tiede <Cindy@ncbankers.org> on 09/14/2007 11:55:13 AM

Subject: Interagency guidance on CRA

RE: Community Reinvestment Act; Interagency Questions and Answers Regarding Community Reinvestment; Notice: OCC-2007; OP-1290; RIN 3064-AC97; and OTS-2007-0030.

Dear Sirs and Madams:

The Community Investment Corporation of the Carolinas (CICCAR) appreciates the opportunity to comment on the framework for implementing the Community Reinvestment Act (CRA). CICCAR is a member of The National Association of Affordable Housing Lenders (NAAHL) and share their deep concern for unintended, adverse consequences for brining private capital through pooled funds to underserved areas and people with acute needs. If implemented, the proposed policy would undermine national, regional and even statewide community development funds, hurt underserved communities, make homeless and supportive housing and other challenging activities harder to finance, and drive away banks unable to make very large investments.

My company, CICCAR, is a multi-state lending consortium that has provided permanent financing on 187 low-moderate LIHTC apartment communities in North and South Carolina providing over 8,800 units of affordable housing to 30,000 folks. We are lucky enough to have 115 NC and SC banks that fund our pool. The proposals on examiner discretion and alternative fund documentation are already chilling investments in pooled funds. This reaction has been exacerbated by some examiners' recent: 1) challenges to favorable consideration for investments in pooled funds, reflecting an inconsistent methodology in evaluating a bank's investment in national and regional funds leading to uncertainty as to how these investment will be counted; and 2) discounting significant investments in even statewide and regional, as well as national, community development funds.

All of the above mentioned groups play a critical role in providing affordable housing to low- and moderate-income ("LMI") families across the United States. For more than 30 years banks have pooled their money in multi-bank consortia in order to meet the mortgage credit needs of their LMI communities. These pools afford banks real economies of scale, and the opportunity to invest in experts in originating, underwriting and servicing loans on homes affordable to LMI, as well as the benefits of geographic and product diversification.

CICCAR has been able to address acute needs like supportive housing for the homeless, physically and mentally disabled and veterans by pooling our development costs with those of mixed income and mixed use housing developments. These special needs communities are much needed and scarce.

CICCAR is extremely surprised that the proposed Q&A on geographic documentation appears to be a real departure from, and at odds with, the excellent approach of prior guidance, which recognized the importance of funding broader programs that benefit from diversification of projects and geographies, and economies of scale. CICCAR strongly believes in the principle that a bank should receive full CRA credit for all dollars invested in national community development funds, regardless of the location of the fund's projects, provided that the fund has at least one project in the bank's assessment area(s) or broader statewide or regional area that includes the bank's assessment area(s).

CICCAR is hopeful that banks will continue to receive full CRA credit for the entire dollar amount of its investment in national, as well as statewide and regional funds that make community development loans or investments, generally as defined under the CRA rules, regardless of the location of the fund's projects, provided that some of the fund's projects are located in the bank's assessment area(s) or broader statewide or regional areas that includes the bank's assessment area(s).

Sincerely,

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