

From: Jim Steitz
Subject: CRA Regulations Hearings

Comments:

Jim Steitz

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Dear Federal Reserve Board:

If CRA had covered more lenders, the economic collapse wouldn't have been so drastic or could have been avoided altogether. Please expand and modernize CRA to cover more lenders to protect communities and borrowers like me.

Banks are given the extraordinarily privilege of a taxpayer backstop, because they are part of the infrastructure of the economy. The flip side is that they must be forced to adopt a socially benevolent business model more akin to a public utility than a hedge fund. The banks are arguing, cynically and selfishly, that they ought to both enjoy that FDIC backstop and be able to focus exclusively on investments and loans that result in the highest yields. This is self-contradictory, and the Federal Reserve Board must force publicly insured banks, under the CRA, to accept their role as part of our financial public infrastructure. There is a public interest in diversifying the lending portfolio of banks toward those uses that support communities, rather than just those that yield the highest return on capital, and experience has shown moreover that the former profile is also less risky to the FDIC insurance backstop over the long term.

Sincerely,

Jim Steitz