

METROPOLITAN
MILWAUKEE



July 29, 2009

Jennifer J. Johnson
Secretary, Board of Governors of the Federal Reserve System
20th Street and Constitution Avenue NW
Washington DC 20551

Dear Ms. Johnson:

I am writing today on behalf of the Metropolitan Milwaukee Fair Housing Council (MMFHC), to comment on the proposed changes to CRA regulations. Prompted by prevailing patterns of racial and economic segregation, widespread discrimination in the housing market and an inadequate number of fair housing enforcement agencies, 40 citizens organized the Metropolitan Milwaukee Fair Housing Council in 1977. A non-profit, membership-based organization, MMFHC is comprised of men and women who share a desire to create open and inclusive communities throughout Wisconsin. Thirty-two years later, staff and volunteers in our three Wisconsin offices continue the work to prevent housing discrimination. Our Fair Lending Program works with lenders to help them identify products and programs to fit the needs of underserved individuals and communities.

MMFHC is an active member of the National Community Reinvestment Coalition (NCRC), and agrees with NCRC's comments that the agencies should retain their proposed targeting for low-cost loans for low-income students seeking higher education. But like NCRC, we have significant concerns regarding the proposal to provide favorable consideration outside of assessment areas for banks' financing low-income credit unions, and minority- and women-owned financial institutions. Giving institutions CRA credit for activities outside of the assessment area would seem to be a step in the wrong direction, potentially heading back down the slippery slope toward redlining. Instead of providing more CRA consideration outside of assessment areas, MMFHC urges the agencies to undertake meaningful reform of assessment area procedures.

MMFHC appreciates the opportunity to offer our comments on this important matter. We urge the regulatory agencies to adopt our suggestions so that these proposed changes contribute to a CRA regulation that is robust and effective in stimulating lending, investing, and services in formerly redlined communities.

Sincerely,

Bethany Sanchez,
Vice-President, Fair Lending