

Good morning, my name is Mike Mantle and I am honored to say I am a Senior Advisor with Morgan Stanley Bank, representing Morgan Stanley's US banks and managing our Community Development transaction team. My involvement in the community development industry dates back to 1989 when I was the founding President and CEO of Bank of America Community Development Bank.

Over the past 20 years I have had the privilege of being associated with this dynamic, challenging, and constantly evolving industry as a banker, trade association committee chair, board member with several leading non-profit community organizations, and for 2 years as Chief Operating Officer of a leading national non-profit organization.

I applaud the leadership of the regulatory agencies for holding this series of hearings about CRA and look forward to the positive and constructive dialogue I am sure will continue in the months to come.

Having been involved in the community development industry for over 20 years I can attest to the positive impact CRA has made over the years. It has served us well and has led to what my fellow panelist Gene Ludwig has referred to as the democratization of credit in this country.

The billions of dollars of loans and investments that flow today into the development of affordable housing, provide funds for economic development from micro finance to the expansion of factories and the emergence of the Community Development Financial Institutions are examples of outcomes spurred in part by CRA.

I have seen first hand how communities ranging from New York City to Fillmore, CA have benefitted from the unique public/private nature of the many programs that have been developed over the past years by community development practitioners in collaborations with financial institutions.

The emergence of community development finance as an industry has provided challenging and rewarding career opportunities to

thousands of bankers and community based leaders. It is easy to lose sight of the amazing variety of financing solutions that have been mutually developed by bankers and community practitioners over the past 20 plus years and the leveraging of increasingly scarce public sector resources that has occurred.

I joined Morgan Stanley Bank in 2009 after becoming familiar with their deep and long standing commitment to community development. Morgan Stanley Bank has a long standing commitment to community development which I am proud to say just resulted in our third consecutive Outstanding CRA rating.

The idea of doing well by doing good has been core to the culture of the organization for many years.

One of the first exercises undertaken following my arrival at Morgan Stanley Bank last fall was to convene a series of meetings with the leaders of national and regional community development practitioners. We engaged a non-profit facilitator to runs these meetings where we desired to get a candid and current assessment of what was critically needed in the community development industry at this point in time and ways Morgan Stanley Bank could help address these needs.

The responses we heard in these meetings had a number of consistent themes. One response we heard time and time again was to act like an Investment bank and not to try and replicate what a Retail bank might be doing. The idea of Main Street accessing Wall Street for critically needed, sustainable levels of capital for community development was heard loud and clear.

Being able to deliver funding for community development from capital markets versus strictly using our balance sheet and some of the impediments that brings was of critical importance from an affordable housing as well as a small business/economic development perspective was important to the participants.

Another issue/concern that was raised in these out reach sessions was the need for Morgan Stanley to look at geographic markets that were experiencing extreme difficulties in accessing community development capital at almost any price. Participants highlighted that geographic areas served by many large national banks were able to secure financing while many markets such as the Midwest, New England, and rural America were experiencing significant difficulties, particularly in the area of affordable housing after Fannie Mae and Freddie Mac were no longer in a position to provide critically needed equity dollars for project development.

We were asked in these meetings to explore and pursue ways to create financing vehicles and instruments that would allow socially motivated investors an opportunity to participate by creating soundly structured offerings.

Another area of importance voiced involved a desire by participants to see a product suite that would leverage multiple layers of public sector support in development projects. The sentiment being that these multiple participants provide an increased quality of resident services.

Finally, it was stated by participants that we needed to become familiar with the newly emerging set of tools being developed in the public sector arena, notably around the stimulus bill. Numerous programs are coming on line that are designed to spur job growth and expanded development of affordable housing. Many of these are well suited for Investment banks and capital markets.

We welcomed the input from our community partners and have been working to develop a program and products that are highly responsive in today's economic environment. The opportunity to continue to move community development forward by developing the links between Main Street and Wall Street is one being embraced by Morgan Stanley Bank. It is one that will challenge us to utilize the intellectual and financial capacities of a wide variety of Morgan Stanley Bank affiliates if we are to be successful in this endeavor.

We look forward to being an active participant in the discussions that will continue following these hearings, in particular in the areas around moving CRA/community development from a balance sheet driven business to one with a more robust utilization of capital markets. The Main Street to Wall Street message was heard loud and clear in our community meetings and we look forward to the future opportunities that represents.