

From: Jamaica Plain Cohousing, Diane M Simpson
Subject: CRA Regulations Hearings

Comments:

Date: Aug 11, 2010

Proposal: Community Reinvestment Act Regulations
Document ID: R-1387
Document Version: 1
Release Date: 06/17/2010
Name: Diane M Simpson
Affiliation: Jamaica Plain Cohousing
Category of Affiliation: Other
Address:

City:
State:
Country: UNITED STATES
Zip:
PostalCode:

Comments:

1) Should geographic scope differ for institutions that are traditional branch-based retail institutions compared to institutions with limited or no physical deposit-taking facilities? NO. THE INTERNET HAS CHANGED MANY BANKING PRACTICES AND DEPOSITS CAN COME FROM ANYWHERE. LET'S KEEP THIS SIMPLE AND ALLOCATE CRA FUNDS ON A PERCENTAGE BASIS, BASED ON THE ORIGIN OF DEPOSITS. 2) Should it differ for small local institutions compared to institutions with a nationwide customer base? NO. SEE COMMENT ABOVE. 3) Should the agencies revise the criteria used to assess performance under the current CRA tests... SINCE I DO NOT KNOW WHAT THESE TESTS ARE I CANNOT ANSWER THIS QUESTION. HOWEVER, IT SEEMS TO ME THAT ALL BANKING INSTITUTIONS SHOULD BE "PULLING THEIR OWN WEIGHT" SO TO SPEAK, IN REGARDS TO CRA CONTRIBUTIONS. 4) Should the agencies revise the regulation and, instead, require that examiners routinely consider activities by affiliates? YES, ALL ACTIVITIES BY AFFILIATES SHOULD BE REVIEWED. IF NOT, YOUR METHODOLOGY WILL BE INCONSISTENT. ANY AND ALL AFFILIATES INVOLVED IN DEPOSIT OR LENDING ACTIVITY SHOULD BE INCLUDED. FOR HOW THIS AFFECTS GEOGRAPHIC COVERAGE, PLEASE REFER TO MY ANSWER TO QUESTION ONE. 5) Should the agencies revise CRA to include additional regulatory incentives to provide access to services for historically underserved and distressed areas? YES--ABSOLUTELY. I CAN SEE THE DIFFERENCE VIVIDLY IN MY NEIGHBORHOOD, WHERE THERE IS NO ACCESS TO BANKING SERVICES. EVERYONE HAS TO GO TO THE CENTER WHERE THERE ARE OVER SIX BANKS. THIS HAS A SNOWBALL EFFECT OF ENCOURAGING ALL OTHER COMMERCIAL ACTIVITY TO GO TO ONE AREA, BECAUSE THE BUSINESSES LIKE TO BE WHERE THE BANKS ARE. 6) What are the opportunities to better encourage community development loans, investments and services to support projects that have a significant impact on a neighborhood? THIS IS A DIFFICULT QUESTION TO ANSWER,

BECAUSE THERE ARE SO MANY POSSIBILITIES. I WILL SAY THIS, HOWEVER: YOU NEED TO TAKE

A LOOK AT WHERE MOST OF THE FORECLOSURES ARE AND ADJUST THE REGS SO THAT THE

BANKS/MORTGAGE COMPANIES WITH THE HIGHEST PERCENTAGE OF FORECLOSURES ARE REQUIRED TO CONTRIBUTE MORE CRA FUNDS. THIS IS BECAUSE FORECLOSURES ARE, IN EFFECT, THE "COMMUNITY DISINVESTMENT ACT." REQUIRING COMPANIES THAT HAVE A HIGH

PERCENTAGE OF FORECLOSURE ACTIVITY TO BALANCE THAT WITH HIGHER CONTRIBUTIONS

MAY SLOW DOWN FORECLOSURE ACTIVITY. 7) Is there an opportunity to improve the rules governing CRA ratings to differentiate strong, mediocre, and inadequate CRA performance more consistently and effectively? I THINK THERE IS, BUT YOU WOULD HAVE TO APPLY THE RULES TO ALL INSTITUTIONS CONSISTENTLY. (SEE ANSWER TO

QUESTION FOUR.) 8) Are there regulatory incentives that could be considered to encourage and recognize those institutions with superior CRA performance? ABSOLUTELY. LOWER FDIC FEES, LOWER FED BORROWING RATES, PERHAPS EVEN LOWER TAX

RATES. SINCE REINVESTING IN THE COMMUNITIES ULTIMATELY DECREASES THE AMOUNT OF SOCIAL PROBLEMS IN THOSE AREAS (FORECLOSURES/LACK OF ACCESS TO BUSINESSES AND JOBS) THE BANKS AND LENDING INSTITUTIONS THAT ARE WILLING TO STEP UP TO THE PLATE AND HELP SOLVE THOSE PROBLEMS DESERVE SPECIAL CONSIDERATION. 9) Should the regulations require the agencies to consider

violations of additional consumer laws, such as the Truth in Savings Act, the Electronic Fund Transfer Act, and the Fair Credit Reporting Act? Should the regulations be revised to more specifically address how evidence of unsafe and unsound lending practices adversely affects CRA ratings? YES TO ALL OF THE ABOVE. THE REGULATIONS NEED TO BE UPDATED TO REFLECT THE CHANGES IN BANKING PRACTICES DUE TO THE INTERNET. ALSO, KEEP IN MIND THAT ANY MONEY EARNED THROUGH

DECEPTIVE PRACTICES IS, FOR ALL INTENTS AND PURPOSES, THE "COMMUNITY DISINVESTMENT ACT." ALL OF THESE PRACTICES TIED TOGETHER AFFECT THE AMOUNT OF MONEY CIRCULATING IN DISADVANTAGED COMMUNITIES, SO THEY ALL NEED TO BE LOOKED

AT AS A UNIT. 10)

Should the agencies consider changes to data collection, reporting, and disclosure requirements, for example, on community development loans and investments? What changes to public Performance Evaluations would streamline the reports, simplify compliance, improve consistency and enhance clarity?

Should the agencies consider changes to how Performance Evaluations incorporate information from community contacts or public comments? SINCE I DO NOT KNOW HOW THE PERFORMANCE EVALUATIONS ARE CURRENTLY DONE, IT IS VERY DIFFICULT FOR ME TO

ANSWER THIS QUESTION. I MUST SAY, HOWEVER, THAT IT HAS BEEN A MOST INTERESTING EXPERIENCE, ANSWERING THESE QUESTIONS AND I WISH YOU WERE HAVING A HEARING IN BOSTON.