



**GREATER ROCHESTER  
COMMUNITY REINVESTMENT COALITION  
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ROCHESTER, NEW YORK 14614**

July 22, 2010

Office of the Comptroller of the Currency  
250 E Street, SW  
Mail Stop 2-3  
Washington, DC 20219  
Docket ID OCC-2010-0010

Robert E. Feldman, Executive Secretary  
Attention: Comments, FDIC  
550 17<sup>th</sup> Street, NW  
Washington, DC 20429  
FDIC RIN 3064-AD60

Jennifer J. Johnson, Secretary  
Board of Governors of the Federal Reserve  
System  
20<sup>th</sup> Street and Constitution Avenue, NW  
Washington, DC 20551  
FRB Docket No. R-1387

Regulation Comments  
Chief Counsel's Office  
Office of Thrift Supervision  
1700 G Street, NW  
Washington, DC 20552  
OTS-2010-0017

**RE: Community Reinvestment Act regulation and eligibility of Neighborhood Stabilization Program (NSP) for CRA consideration**

To Whom It May Concern:

We are writing on behalf of the Greater Rochester Community Reinvestment Coalition (GRCRC) to support the proposed change to the Community Reinvestment Act (CRA) regulation that would define activities funded by the Neighborhood Stabilization Program (NSP) as community development activities eligible for favorable consideration under CRA. In light of the foreclosure crisis, which has devastated communities across America, this is sensible public policy.

Since 1993, Empire Justice Center and its predecessor, the Public Interest Law Office of Rochester (PILOR), have convened the Greater Rochester Community Reinvestment Coalition to generate and continue discussions about lending patterns in Rochester. GRCRC has a membership of over 30 locally based not-for-profits and individuals. GRCRC monitors the

community reinvestment obligations of Bank of America, Canandaigua National Bank, RBS Citizens Bank, HSBC, JPMorgan Chase, KeyBank and M&T Bank.

Over the past 16 years, GRCRC, Empire Justice Center and PILOR have released 12 analyses of home mortgage, small business and subprime lending data, using these analyses to identify strengths and weaknesses in lending patterns and to generate ongoing discussion with the banks in question.<sup>1</sup> We also submit comments during CRA exams and mergers, based on the data, to the appropriate state and federal regulators who have oversight of the banks. In addition, Empire Justice Center published a groundbreaking report showing the impact of foreclosures on different communities across New York State.<sup>2</sup>

GRCRC is a member of the National Community Reinvestment Coalition (NCRC). We support NCRC's comments of July 14, 2010 on the proposed regulatory changes. Therefore, we offer many of the same comments as in the NCRC letter.

The agencies propose to revise the term "community development" to provide favorable consideration on CRA exams for loans, investments, and services that support NSP-eligible activities in NSP-targeted areas. NSP-eligible activities involve financing the purchase and redevelopment of foreclosed homes, establishing land banks for homes that have been foreclosed upon, and redeveloping demolished or vacant properties. NSP funds can be used for families with incomes up to 120 percent of area median income, provided that 25 percent of NSP funds for any jurisdiction must be used for low-income (up to 50 percent of area median income) families. The agencies further propose that banks can earn favorable consideration for financing NSP projects outside of their assessment area provided that they have satisfied needs in their assessment areas.

While the agencies focus CRA on low- and moderate-income families and communities, they have expanded CRA's reach to middle-income communities in limited and well justified circumstances. The foreclosure crisis is such a circumstance. It is a national calamity that has afflicted scores of communities, including middle-income ones that have been targeted by jurisdictions receiving Department of Housing and Urban Development (HUD) funding.

Under the first round of NSP funding, the City of Rochester was awarded almost \$4.3 million as a sub-grantee of the State of New York for a variety of activities in neighborhoods affected by

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<sup>1</sup> Our most recent analyses compare differences in mortgage lending between 2006 and 2008. "Paying More for the American Dream IV" can be found at: <http://www.empirejustice.org/publications/reports/paying-more-for-the-american-3.html> and "The River Runs Dry" can be found at: <http://www.empirejustice.org/about-us/press/press-releases/the-river-runs-dry-decreased.html>.

<sup>2</sup> This report, "Curbing the Mortgage Meltdown," can be found at: <http://www.empirejustice.org/publications/reports/curbing-the-mortgage-meltdown.html>.

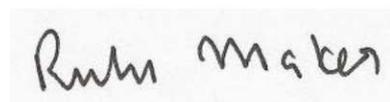
foreclosures in the city of Rochester and surrounding Monroe County. Except for \$396,000 to be used to remove blighted structures from 30 city properties, it is our understanding that the rest of the NSP funding is to leverage private financing so that 213 low, moderate and middle income families can purchase homes in Rochester and Monroe County, including 54 homes rehabilitated or reconstructed via the funding.

The proposed favorable consideration under CRA for NSP projects would provide the needed push for banks to work with the City of Rochester and private not-for-profit lenders to provide financing to leverage this public money. Therefore, for the duration of the NSP program and up until the sunset time period proposed by the agencies, GRCRC supports providing CRA credit for bank financing of NSP projects.

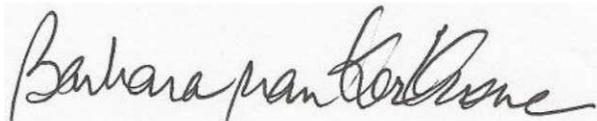
GRCRC also cautiously supports providing CRA points for NSP projects outside of assessment areas, provided banks have met needs inside their assessment areas. Our support is cautious for projects outside of assessment areas because GRCRC would like to see in the final rule the steps the agencies will take to carefully assess that banks have fully met the needs inside their assessment areas, including financing any NSP activities inside their assessment areas, before banks receive favorable consideration for support of NSP projects outside their assessment areas.

Thank you for this opportunity to comment on this important matter. If you have any questions, please contact us at 585-454-4060 or via email: Ruhi Maker at [rmaker@empirejustice.org](mailto:rmaker@empirejustice.org) or Barbara van Kerkhove at [bvankerkhove@empirejustice.org](mailto:bvankerkhove@empirejustice.org).

Sincerely,



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