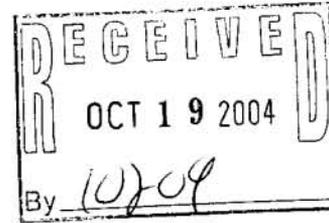


October 12, 2004



Mr. Robert E. Feldman
Executive Secretary
Attention: Comments/Legal ESS
Federal Deposit Insurance Corporation
550 17th St. NW
Washington, DC 20429

RE: RIN 3064-AC50

Dear Mr. Feldman:

I urge that you withdraw the proposed changes to the Community Reinvestment Act (CRA) regulations. CRA has been an effective financial vehicle for rural and urban communities for decades. Low and moderate income families of all races and ethnicities have benefited from CRA with increased opportunities to purchase homes, open small businesses, or operate farms. The success of local communities gaining access to private capital should not be jeopardized. The proposed changes will dramatically reduce the ability of communities to monitor and promote community reinvestment.

Currently, banks with assets of at least \$250 million are rated by performance evaluations that scrutinize their level of lending, investing, and services within low- and moderate-income communities. The proposed changes would substitute a less challenging criterion of community development for state-chartered banks with assets between \$250 million and \$1 billion. This proposal would allow mid-size banks to choose a loosely defined "community development activity" rather than the current requirement of providing comprehensive community development activities needed by low- and moderate-income communities. Many believe, and we fear, that the proposed community development criterion could result in fewer loans and a significant reduction in affordable rental housing investments. Community service facilities and economic development projects would falter from lack of financial support, as mid-size banks no longer maintain or build branches in low- and moderate-income communities. Families in these communities would lose access to affordable banking services.

People in rural communities especially would be disadvantaged by the new regulations that propose to consider any kind of community development activities in rural areas as meeting CRA requirement regardless of whether they focus on low- and moderate-income individuals or not. This would allow banks to focus on affluent residents of rural areas, diverting community development activities away from the low- and moderate-income communities and consumers that CRA is designed to help.

I urge you to withdraw and reconsider how best to strengthen—not weaken—CRA's affirmative obligation of banks to meet credit needs. We seek to expand and enlarge community reinvestment. The regulations, as proposed, are likely to result in a significant reduction in the level of community reinvestment.

Sincerely,

Patricia T. Devine
8073 Morehouse Rd.
Erie, PA 16509