

United States Senate

WASHINGTON, DC 20510-2204

September 20, 2004

The Honorable Donald E. Powell
Chairman
Federal Deposit Insurance Corporation
550 17th St NW
Washington, DC 20429

Dear Chairman Powell:

I am writing to express my strong concern and opposition to the Federal Deposit Insurance Corporation's (FDIC) proposal to increase the asset size limit of banks eligible for the streamlined small-bank Community Reinvestment Act (CRA) examination. The proposal would diminish banks' obligation to reinvest in their local communities and mean the loss of hundreds of millions of dollars in loans, investments, and services. These devastating effects would harm many, especially in rural areas, small cities and the nation's minority, immigrant, and low and moderate income communities.

The CRA has been one of the most successful community revitalization programs in our history. It has provided over \$1.5 trillion dollars for developers and nonprofit groups to support programs that have been instrumental in increasing homeownership, enhancing economic development, and expanding small business in communities that would have been ignored if not for the CRA.

The proposal by the FDIC to amend the CRA assessments would dramatically diminish banks' obligation to reinvest in their communities. Less rigorous CRA examinations could allow more than nine hundred banks to pull back from their community development obligations. This will leave consumers in many states, especially rural areas and small cities where the presence of mid-sized banks is often great, with inadequate banking services, and lacking critical development projects.

Also, the FDIC's plan would weaken or eliminate the lending test for midsize banks which ensures the effectiveness of the CRA. Without rigorous examination of these banks' mortgages, small business, small farm, and consumer lending practices, many Americans may lose their access to credit for affordable housing, and community and economic development projects.

Finally, banks, under the new proposed regulations, would no longer be required to collect and report essential lending information. Information concerning small business

lending by census tracts or revenue size of the small business borrowers, for example, are necessary for the public to determine how well these midsize banks meet the credit needs of their local communities and the goals of the CRA.

I urge you to withdraw this proposal and support continued local investment in our communities. Thank you for your attention to important matter.

Sincerely,

A handwritten signature in black ink that reads "Debbie Stabenow". The signature is written in a cursive style with a long, sweeping horizontal line extending to the right.

Debbie Stabenow