

8587

October 13, 2004

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

RE: RIN 3064-AC50

Dear Mr. Feldman:

As a concerned citizen in my community, I am opposed to the proposed changes to water down CRA (Community Reinvestment Act) requirements for mid-sized banks. CRA is vital for increasing homeownership and economic development in lower- and moderate-income communities.

I understand that banks with over \$250 million in assets must be tested on their number of loans, investments, and services to low- and moderate-income communities. But your proposal would eliminate the investment and service requirements for all banks with under \$1 billion in assets. This will result in significantly fewer loans and investments in affordable housing options, health clinics, community centers, and economic development projects.

In the proposed watered-down exam, you would allow mid-sized banks to choose which community development activities they will undertake. Right now, these banks must make community development loans, investments, **and** services. Your proposed test allows banks to choose only one of the three activities.

The proposed changes for community development activities in rural areas would benefit any group of individuals instead of only low- and moderate-income individuals. This will allow banks to cherry-pick and focus on affluent residents of rural areas rather than the lower income consumers that CRA is intended to target. Finally, you would also eliminate publicly available data on the small business lending of mid-sized banks. Without data, community groups and citizens cannot hold banks accountable for lending to small businesses.

In closing, the proposed changes directly oppose CRA's mandate to require lenders to meet community needs. Please drop your proposal like the two other federal agencies that recognized its harm to underserved communities.

Sincerely,



Craig O. Fiels
842 Rio Vista
Santa Fe, NM 87501

cc: National Community Reinvestment Coalition
President George W. Bush
Senators John Kerry and John Edwards