



CITY of HOLLYWOOD, FLORIDA

October 20, 2004

MARA GIULIANTI
Mayor

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

RE: RIN 3064-AC50

Dear Mr. Feldman:

I am greatly distressed by attempts to weaken the CRA (Community Reinvestment Act) requirements for mid-sized banks. CRA has been an indispensable tool for increasing homeownership and economic development in our lower-income communities. The proposed changes will reverse the progress.

Banks with more than \$250 million in assets now must meet a standard of offering loans, investments and services to low-and moderate-communities. By eliminating the investment and service requirements for banks with less than \$1 billion in assets, significantly fewer loans and investments in affordable rental housing, health clinics, community centers and economic development projects will occur.

Additionally, your proposal allows mid-sized banks to choose which one of the community development activities they will undertake, instead of requiring community development loans, investments and services. This will surely lead to less community development activities.

Proposing that community development activities in rural areas can benefit any group of individuals instead of only low-and-moderate-income individuals will allow banks to focus on affluent residents instead of lower income consumers that the CRA targets. The proposal would also eliminate publicly available data on the small business lending of mid-sized banks. Without data, citizens and community groups could not hold banks accountable for their obligation to make loans to small businesses in their communities.

These changes directly contradict CRA's mandate to require lenders to meet community needs. I urge you to reconsider this harmful proposal and let CRA continue to live up to its promise.

Sincerely,

Mara S. Giuliani
Mayor

C: Lorie Mertens, Director, Intergovernmental Affairs
Neal Herst, Director, Department of Housing and Community Redevelopment

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