

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

RE: RJN 3064-AC50

Dear Mr. Feldman:

I am a concerned citizen or community organization opposed to watering down the Community Reinvestment Act (CRA) requirements for mid-sized banks. CRA is vital for increasing homeownership and economic development in lower-income communities. However, your proposed changes will halt the progress that has been made.

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 rental housing, health clinics, community centers and economic development projects.

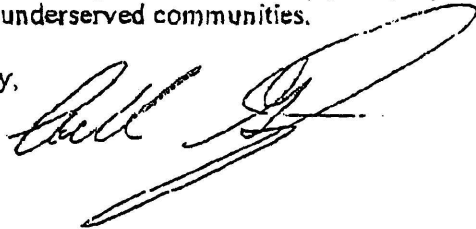
In the watered-down exam, you would allow mid-sized banks to choose which community development activities they will undertake. Right now, these banks must make community development loans, investments and services. Your proposed test allows banks to choose only one of the three activities. The result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

You also propose that community development activities in rural areas should benefit any group of individuals instead of only low and moderate-income individuals. But this will allow banks to cherry-pick and focus on affluent residents of rural areas rather than the lower income consumers CRA targets. 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 their neighborhoods.

In Michigan, the FDIC oversees 107 institutions, controlling \$31 billion in assets. Overall, 93% have under \$1 billion in assets and 22% have between \$250 million and \$1 billion in assets and would be effected by the proposed changes in CRA regulations. One hundred percent of assets in rural Michigan are controlled by institutions with less than \$1 billion and would therefore be subject to abbreviated CRA exams. Eighty-nine percent of the institutions in urban areas have less than \$1 billion in assets. If the proposed changes to CRA are adopted by the FDIC, 46% of the assets in urban Michigan would not be subject to the current level of scrutiny under CRA.

Your changes directly oppose CRA's mandate to require lenders to meet community needs. CRA is too important to be gutted. Please drop your proposal like the two other federal agencies that recognized its harm to underserved communities.

Sincerely,



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