Massachusetts Bankers Association

January 9, 2006

Office of the Comptroller of the Currency
250 E Street, SW
Attn: Public Information Room, Mail Stop 1-5
Washington, DC 20219

Ms. Jennifer J. Johnson
Secretary
Board of Governors of the Federal Reserve System
20th Street and Constitution Avenues, NW
Washington, DC 20551
Docket No. OP-1240

Mr. Robert E. Feldman
Executive Secretary
Attention: Comments
Federal Deposit Insurance Corporation
550 17th Street, NW
Washington, DC 20429
RIN Number 3064-AC97

RE: Proposed Revisions to the Interagency Questions and Answers Regarding Community Investment

To Whom It May Concern:

On behalf of our 210 commercial, savings, cooperative, and savings and loan members throughout Massachusetts and New England, the Massachusetts Bankers Association (MBA) appreciates the opportunity to comment on your proposal to revise the Interagency Questions and Answers Regarding Community Investment. MBA believes the proposed questions and answers are helpful for bankers and examiners.

We commend the Agencies for adopting the recent changes to the Community Reinvestment Rules and for updating the questions and answers to reflect the new requirements. The proposed revisions seek to clarify the agency staff guidance for the Community Reinvestment Act as it relates to the recent changes in the regulation. Specifically, the revisions address the new "community development" definition, which includes activities that revitalize designated disaster areas or distressed or underserved non-metropolitan middle-income geographies. In addition, new questions and answers are proposed to address the community development test as it is applicable to intermediate small banks, the treatment of small banks' affiliates' activities, the small bank asset threshold adjustments, and the consideration of prior-period qualified investments.

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Disaster Areas

The agencies requested comments on the appropriate duration of a disaster designation. The proposed guidance recognizes that revitalization efforts in disaster areas can involve investments made after the disaster designation is officially lifted. The agencies have proposed a one-year "lag period" after the expiration of the disaster designation during which investments in revitalization activities will receive CRA credit.

While we agree that institutions should continue to receive credit for investments made after the designation has been lifted, we are concerned that a one-year lag period is too short. Many areas affected by natural disasters require many years to rebuild and revitalize. We encourage the agencies either to extend the lag period for all disasters to at least two or three years or to tailor the lag period to specific events depending on the magnitude of the disaster.

Finally, we believe that the agencies should consider publishing an updated list of designated disaster areas nationwide. While there are usually public announcements of a disaster designation, there is sometimes no announcement of the expiration of the designation. A comprehensive list maintained by the agencies would eliminate any confusion for bankers and regulators in determining CRA credit for particular investments.

Thank you again for the opportunity to comment on this proposal. If you have any questions or need additional information, please feel free to contact me.

Sincerely,

Jon K. Skarin
Director, Federal Regulatory & Legislative Policy

JKS