

C A C L V

10 May 2005

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

Re: RIN 3064-AC89

Dear Mr. Feldman:

The Community Action Committee of the Lehigh Valley joins the National Community Reinvestment Coalition in urging you to enhance your proposed changes to the Community Reinvestment Act regulations so that banks do not reduce their levels of branches, community development loans and investments in low- and moderate-income communities. While your proposal is an improvement from the one you issued in the fall, serious issues remain.

We urge you to drop your proposed elimination of public data disclosure requirements regarding community development and small business lending. You may know that Fed Chairman Alan Greenspan spoke at NCRC's annual conference in March and urged more and better data to demonstrate the value of community development activities; surely this proposal contradicts the chairman's public comments.

We urge the regulators to maintain strict examination requirements for mid-sized banks. It is our experience that weakened expectations will lead to weakened commitments to communities struggling to create economic opportunities for their citizens.

We also urge the regulators to maintain a strong service test. It is our experience here in the Lehigh Valley of Pennsylvania that branching is not evenly disbursed throughout our market. For example, in the relatively affluent borough of Emmaus, population 12,000, there are eleven bank branches. However, in the lower-income south Bethlehem, population 18,000, there are just two branches, despite an impressive amount of revitalization taking place.

In the absence of a strong, evenly disbursed branching network, we have documented a significant presence of predatory alternative financial services businesses. These businesses include payday lenders, check-cashers, furniture and appliance rental companies, refund anticipation lenders and predatory mortgage brokerages.

Community Action Committee of the Lehigh Valley

1337 East Fifth Street, Bethlehem PA 18015 • Phone 610-691-5620 • Fax 610-691-6582 • www.caclv.org