

Jennifer J. Johnson
Secretary
Board of Governors of the Federal Reserve System
20th Street and Constitution Avenue, NW
Washington DC 20551
RE: Docket No. R-1225

Robert E. Feldman
Executive Secretary
Attention: Comments
Federal Deposit Insurance Corporation
550 17th St. NW 20429
RE: RIN 3064-AC89

Office of the Comptroller of the Currency
250 E St. SW, Mail Stop 1-5
Washington 20219
RE: Docket Number 05-04

To Whom it May Concern:

The Migrant Legal Action Program (MLAP) urges you to amend your proposed changes to the Community Reinvestment Act (CRA) regulations so that banks are not permitted to reduce their levels of branches and community development loans and investments to low- and moderate-income communities.

We are pleased that you have abandoned your proposal to allow mid-size banks with assets between \$250 million to \$1 billion to offer *either* community development loans, investments or services – banks must be expected to engage in all three of these essential community development activities in order to pass their CRA exams as your current proposal requires. MLAP still believes that the current exam structure, with its separate lending, investment, and service tests, is the most effective structure for maximizing the level of community development financing. If you move to a new exam format, you must ensure that significant declines of community development financing do not occur. You could compare past levels of community development financing to future levels after any changes to the CRA exam structure and penalize banks if they significantly decrease their level of community development activities.

The role of investments in communities cannot be minimized. Investments in affordable housing and economic development build wealth for families and communities and consequently open up new markets for bank lending and services. The importance of investments is one reason why you must carefully develop any final proposal regarding the CRA exam structure.

We are also concerned that eliminating a separate test for services will result in CRA exams' no longer holding mid-size banks accountable for the provision of bank branches

and low-cost accounts in low- and moderate-income communities. Payday lending and other high cost credit has increased in our community the last several years, and it is imperative that CRA exams consider the number of bank branches in traditionally underserved communities. Please add the provision of bank branches as a clear factor on your proposed CRA exams for mid-size banks.

MLAP urges you to drop your proposed elimination of public data disclosure requirements regarding community development, and small business and small farm lending. Mid-size banks are vital in many communities, particularly in medium-sized cities and rural communities. The only way to hold these banks accountable for providing credit to small firms and for affordable housing and community development is if the CRA data remains publicly available. The public as well as regulatory agencies will have no way to systematically measure the responsiveness of these banks to critical credit needs if you eliminate access to this data.

It is especially important for our constituency that the requirement that community development in rural areas must benefit low- and moderate-income areas and distressed communities be retained. We also urge you to apply your revised test only to banks with assets between \$250 million to \$1 billion. If you use an inflation factor each year to increase the number of banks subject to the new and abbreviated CRA exam, you will reduce the range of bank financing and services flowing to communities that need them the most. Thank you for your consideration of our comments.

Sincerely,

Roger C. Rosenthal
Executive Director