

May 9, 2005

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

Dear Secretary Feldman:

On behalf of the Board of Directors of Housing Opportunities Project for Excellence, Inc. (H.O.P.E., Inc.), I urge you to adjust your proposed changes to the Community Reinvestment Act (CRA) regulations so that banks do not reduce their number of branches, community development loans and investments in low- and moderate-income communities. We commend you for the improvements you have made to the fall proposal, but we still have serious concerns about the latest proposal's effects on minorities and low-income areas.

Housing Opportunities Project for Excellence, Inc. (H.O.P.E., Inc.) is an organization that has been at the forefront of the struggle to make fair housing a reality in South Florida for the past twelve years. H.O.P.E., Inc. was established as the result of a Title 3 grant from U.S. HUD in October of 1988 to Metro-Dade County's Equal Opportunity Board (formerly the Fair Housing and Appeals Board), and is the first non-profit fair housing agency located in the state of Florida and has been responsible for bringing fair housing discriminatory issues out of the hidden corners of the housing industry. H.O.P.E., Inc. works to ensure equal housing opportunity for all people through leadership, education and outreach, advocacy, and enforcement. Our members are long-time supporters of CRA and the benefits that it has brought to their communities in urban neighborhoods, mid-size cities, and rural areas.

Importance of Including All Three Activities

We are pleased that you have dropped your proposal to allow mid-size banks with assets between \$250 million to \$1 billion to offer either community development loans or investments or services. Banks must be required to engage in all three of these essential community development activities in order to pass their CRA exams as your current proposal requires.

In addition, it is vital that all three activities remain in all communities, especially in low- and moderate-income and minority communities, where conventional banking has severely declined. It is because of CRA, in large part, that these services continue. It is especially important now with the exponential growth of predatory lending.

Importance of Examining Bank Branches

We ask that you maintain a distinct service test for mid-size banks. Without a discreet test, CRA exams would no longer hold these banks accountable for the provision of bank branches and low-cost accounts in low- and moderate-income communities. Payday lending and other high cost and predatory credit services have increased in communities nationwide the last several years. In addition, we urge you not to change the requirement that community development in rural areas benefit low- and moderate-income areas and distressed communities.

Importance of Public Data Disclosure

Public data disclosure is one of the only ways to hold lending institutions accountable. As has been revealed in the recent 2004 HMDA data, minorities and women, regardless of their income, receive higher loan rates than their white counterparts. Without public access to this information, it would be more difficult to identify and eradicate this type of discrimination without additional enforcement actions. We urge you to drop your proposed elimination of public data disclosure requirements regarding community development.

Thank you for your attention to this matter.

Sincerely,

Bill Thompson
President and CEO