NETWORK for OREGON AFFORDABLE HOUSING

May 17, 2013

Legislative and Regulatory Activities Division
Office of the Comptroller of the Currency
Mail Stop 9W-11
400 7th Street SW
Washington, DC 20219
Docket ID OCC-2013-0003
Regs.comments@occ.treas.gov

Robert deV. Frierson, Secretary
Board of Governors of the Federal Reserve
System
20th Street and Constitution Avenue, NW
Washington, DC 20551
Docket No. OP-1456
Regs.comments@federalreserve.gov

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

Dear Sirs/Madams,

Network for Oregon Affordable Housing (NOAH) was established in 1990 as a statewide non-profit corporation through the leadership of the Oregon Bankers Association. NOAH provides a growing array of financial tools for affordable housing, including pre-development loans, interim acquisition financing, long-term financing, and technical assistance. These resources enable organizations to develop affordable housing options in their community.

Our properties target residents who earn less than 60% of area median income, and were it not for the Community Reinvestment Act and banks willing to invest in NOAH and its loan programs, I fear these projects would not have access to capital. The ability to lend throughout the entire state with the multi-bank pool allows for more equal access to credit in harder to serve rural areas.

It is my belief that the nature of our pool ensures more equal access to capital across geographies and populations that many lending models available. It is for this reason we write to comment on your proposed revisions to the Interagency Q&A's regarding Community Reinvestment. Thank you for the opportunity to comment on your proposed revisions to the "Interagency Questions and Answers Regarding Community Reinvestment."

We strongly support the Community Development (CD) focus in the proposed revisions to the "Interagency Questions and Answers Regarding Community Reinvestment," to increase the flow of

private capital to underserved areas, and help restore the important role of CD activities in the overall Community Reinvestment Act (CRA) framework.

- The Agencies' reaffirmation of favorable CRA consideration for bank investments in statewide and regional multi-investor funds will help incentivize private capital to meet pressing community development needs. For statewide and regional funds that rely on a number of different depository institutions to invest in CD activities like tax credits, the revisions offer greater assurance that banks will receive full CRA credit for their investments in such funds.

- There is also recognition in your proposals that CD lending and investing by pooled funds that both meet community development needs and also diversify banks' risks, takes time, and the CRA should continue to foster innovative responses to community development needs.

- The efficient deployment of CD lending and investing requires flexibility, and the Agencies explicitly recognize that "at some point the institution's assessment area[s] may receive some benefit." The revisions will help us meet the urgent needs in distressed neighborhoods in our communities, while at the same time making sure we chart a sustainable path forward beyond the current economic conditions.

- "Earmarking" projects financed with pooled funds, and "side letters", create disincentives for banks to participate in multi-investor funds, and undermine the objectives of pooling funds from multiple institutions. Side letters can also restrict the CD funds' ability to cross-subsidize the more complex deals with simple ones. A pro-rata system whereby banks receive CRA credit equal to the share of their investments has worked successfully for years.

- We urge you to finalize the revisions as soon as possible. Given current economic conditions, we respectfully request that you do not delay issuing the final community development Q&As until the full set of revised Q&As is completed.

Thank you.

Sincerely,

William A. Van Vliet
Executive Director