



400 North Columbus Street, Suite 203
Alexandria, VA 22314
(703) 683-8630
(703) 683-8634 FAX
www.nahma.org

September 20, 2004

Mr. Robert E. Feldman
Executive Secretary
Attention: Comments/Legal ESS
Federal Deposit Insurance Corporation
550 17th Street N.W.
Washington, DC 20429

**RE: Federal Deposit Insurance Corporation
RIN 3064-AC50
Community Reinvestment**

Thank you for the opportunity to comment on the Federal Deposit Insurance Corporation (FDIC) proposed rulemaking on Community Reinvestment.

The National Affordable Housing Management Association (NAHMA) represents individuals involved with the management of privately-owned affordable multifamily rental housing regulated by the U.S. Department of Housing and Urban Development, the U.S. Rural Housing Service, the U.S. Internal Revenue Service, and state housing finance agencies. Our members provide quality affordable housing to more than two million Americans with very low and moderate incomes. Executives of property management companies, owners of affordable rental housing, public agencies and vendors that serve the affordable housing industry constitute NAHMA's membership.

The Community Reinvestment Act (CRA) was enacted to encourage federally insured financial institutions to meet the credit needs of their communities, including low- and moderate-income (LMI) persons within those areas. This law is a very important source for community development loans, investments and services that benefit low- and moderate-income persons. Communities and nonprofit corporations partner with banks to leverage limited federal subsidies with private capital for meeting communities' needs. In many cases, these partnerships have been very successful in providing greater affordable housing options to low-income families.

NAHMA is committed to increasing the flow of private capital to our nation's communities. In the current Federal budget climate, subsidies to produce and operate affordable housing have become less dependable. Now is not the time to reduce the private capital available to leverage dwindling Federal resources. All communities deserve evidence that financial institutions enjoying the benefits of Federal deposit insurance are documenting how they are helping to meet the credit needs of their communities.

For these reasons, I respectfully submit that NAHMA opposes the proposed Community Reinvestment rule. We are very concerned that increasing the threshold for "streamlined" testing under the CRA to institutions with up to \$1 billion in assets will harm affordable housing development in LMI communities, particularly in rural areas. We believe the FDIC's current \$250 million CRA asset threshold offers greater certainty that affordable housing needs in LMI communities are met.

Thank you for your consideration of these comments.

Sincerely,

Wayne Fox, HCCP, NAHP-e
President