May 10, 2005

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

Office of the Comptroller of the Currency
250 E Street, SW,
Mail Stop 1-5
Washington, DC 20219
Attention Docket 05-04

Robert E. Feldman
Executive Secretary
Attn: Comments
Federal Deposit Insurance Corporation
550 17th Street, NW
Washington, DC 20429
Re: RIN #3064-AC89

Dear Ladies and Gentlemen:

The following comments are provided on behalf of Comerica Incorporated, a $53.5 billion bank holding company with branch locations in the states of Michigan, California, Texas, Florida and Arizona.

Comerica is committed to the communities in which it operates and as such is committed to fulfilling the letter and spirit of the Community Reinvestment Act (CRA). In response to the joint notice of proposed rulemaking regarding CRA, Comerica provides the following comments.

§ Sec. 228.12 Definitions

(g) Community development means: (1) affordable housing (including multifamily rental housing) for low- or moderate-income individuals, individuals in underserved rural areas, or individuals located in designated disaster areas; (4) activities that revitalize or stabilize low- or moderate-income geographies, underserved rural areas, or designated disaster areas.

Comments: Comerica supports the change in the definition of community development to add "underserved rural areas" and "designated disaster areas". Most rural areas do not have the population to achieve an MSA designation, which eliminates the ability to qualify certain loans and investments as benefitting low- and moderate-income (LMI) areas.

Additionally, and perhaps more importantly, rural areas have very different development needs than metropolitan areas. In Comerica's experience, rural areas have need for loans and investments which would support job creation for individuals, without respect to income level. There are fewer job opportunities in rural areas so the ability to create or maintain jobs would aid in making the community more viable. Further, it is our experience that rural areas need loans and investments which would support the development of infrastructure, such as sewers (in lieu of drain fields). Infrastructure development would aid in the sustainability of the area.

With respect to designated disaster areas, there is a need for financing and investments not necessarily tied to income. Such support would lead to the redevelopment of these areas and ensure their viability. It is Comerica's experience that designated disaster areas need small personal loans and bridge loans to cover expenses related to insurance such as high deductibles fees (sometimes 2%-5% of the repair cost), or help for the under insured or those whose homes do not qualify for disaster insurance at all. Also, investments in social service agencies which provide services in designated disaster areas, without respect to income, should be considered qualified investments.

§ Sec. 228.28 Assigned ratings

(c) Effect of evidence of discriminatory or other illegal credit practices. (1) The Board's evaluation of a bank's CRA performance is adversely affected by evidence of discriminatory or other illegal credit practices in any geography by the bank or in any assessment area by any affiliate whose loans have been considered as part of the bank's lending performance. In connection with any type of lending activity described in Sec. 228.22 (a), evidence of discriminatory or other credit practices that violate an applicable law, rule, or regulation includes, but is not limited to:

(i) Discrimination against applicants on a prohibited basis in violation, for example, of the Equal Credit Opportunity Act or the Fair Housing Act;
(ii) Violations of the Home Ownership and Equity Protection Act;
(iii) Violations of section 5 of the Federal Trade Commission Act;
(iv) Violation of section 8 of the Real Estate Settlement Procedures Act; and
(v) Violations of the Truth in Lending Act provisions regarding a consumer's right of rescission.

(2) In determining the effect of evidence of practices described in paragraph (c) (1) of this section on the bank's assigned rating, the Board considers the nature, extent, and strength of the evidence of the practices; the policies and procedures that the bank (or affiliate, as applicable) has in place to prevent the practices; any corrective action that the bank (or affiliate, as applicable) has taken or has committed to take, including voluntary corrective action resulting from self-assessment; and any other relevant information.

Comments: The intent of including these regulations for consideration in the CRA examination is to identify and curb abusive lending practices. Such abusive lending practices would be identified through the compliance fair lending portion of the examination and under the current CRA regulation impact the CRA rating. We are unclear how this proposal would add to the current requirement. In fact, adding the specific regulations, which include technical compliance, could impact the confidentiality of the compliance rating/program examination.

In closing, Comerica applauds the agencies efforts to provide opportunities for review and comment of the CRA regulation.

Sincerely,

Kathryn A. Reid
First Vice President
Corporate CRA Manager

Sincerely,

Bonnie G. Cohn
Vice President
Corporate Consumer Compliance Manager