

From: Michele Flynn [mailto:tnced@aol.com]
Sent: Monday, May 09, 2005 1:23 PM
To: Comments
Subject: OCC Docket Number 05-04/RI-1225/RIN 3064-AC89

Michele Flynn
1904 Fatherland St.
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May 9, 2005

Robert Feldman
Federal Deposit Insurance Commission
550 17th Street, NW.,
, DC 20429

Dear Robert Feldman:

I write to comment on the proposed changes to the regulations of the Community Reinvestment Act (CRA) (P.L. 95-128). While this proposal is an improvement over the proposal issued in early 2004, it still erodes CRA's basic mission of encouraging lending, investments, and services to low- and moderate-income people and to underserved communities.

At this time CRA is the main ingredient which holds banks at the table and willing to invest in community based economic and housing development activities. CRA rule strengthening is even more critical today at this time when the Administration is recommending cuts to the Community Development Block Grant program and to the estate tax which will result in less dollars available through local government and foundations to support this work. By removing this vital building block on which communities rely to carry out development projects we will see a further erosion of programs designed to assist individuals with a limited income to increase their assets. This is particularly true in a state like Tennessee which invests no money in affordable housing or economic development. Please, I ask that you make no changes to CRA.

I support maintaining the Three-Part Test. The proposed "Community Development" test, even with the requirement of a "Satisfactory" rating on both tests to get a "Satisfactory" CRA rating, is not adequate to ensure investment dollars and retail financial services reach low-income communities.

I do not support adding the "designated disaster areas" to the definition of community development. The standard CRA designation should qualify.

Define “underserved rural areas” as areas below 90% of Area Median Income. In cases where that criteria is inappropriate, permit the CDFI Fund's definition, incorporating out-migration and population loss as well as poverty and income statistics to be used.

Please keep the requirement that "intermediate small banks" report on originations and purchases of small business, farm, and community development loans.

Please withdraw this proposal, maintain the current three-part CRA test, and consider ways to strengthen CRA to hold financial institutions accountable and benefit low- and moderate-income people and underserved communities across the country. Thank you for the opportunity to comment.

Sincerely,
Michele Flynn