



**National
Puerto
Rican
Coalition,
Inc. ®**

May 10, 2005

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

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

Office of the Comptroller of the Currency
250 E Street, SW, Mail Stop 1-5
Washington, DC 20219
RE: Docket No. 05-04

To Whom it May Concern:

On behalf of the National Puerto Rican Coalition (NPRC), a non-profit organization representing the interests of over seven million Puerto Rican U.S. citizens on the mainland and in Puerto Rico, I am writing to urge you to enhance your proposed changes to the Community Reinvestment Act (CRA) regulations.

Since 1977, the CRA has worked to protect the economic development of low- and moderate- income communities and has been instrumental in increasing access to affordable housing, homeownership and expanding small business opportunities. While current CRA regulations provide for the evaluation of the level of banking services and investment in neighborhoods traditionally underserved by lending institutions; discrimination, predatory lending, and a lack of financial resources and services continue to disproportionately affect Americans of Hispanic descent and minority low-and moderate – income neighborhoods.

While we are pleased your proposal no longer gives mid-sized banks with assets between \$250 million to \$1 billion the option to take certain sections of the CRA exam, but now requires them to take a “community development test” and a separate lending test, we believe there remains room for improvement to ensure CRA assists in providing a maximum level of fair community development financing.

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Although the proposed “community development” portion includes community development loans, investments and services, it only counts for half of the CRA grade while a separate lending portion accounts for the second half. With less emphasis placed on investments and services, banks will no longer be held as accountable for investments in affordable housing, economic development efforts and services such as the provision of bank branches and low-cost accounts available in traditionally underserved communities. Final changes to the CRA exam structure must equally consider the importance of investments and services.

Furthermore, NPRC opposes the proposed elimination of public data disclosure requirements regarding community development and small business and small farm lending. CRA data needs to remain publicly available in order to hold banks accountable for their credit, affordable housing and community development efforts. The public and underserved communities have the right to remain informed on banks and their measure of responsiveness to their needs.

The availability of this information has also played an important role in helping to prevent the prevalence of predatory lending practices in Latino communities. Latinos are disproportionately targets of predatory lending due to linguistic and cultural barriers including limited English proficiency, not understanding or trusting banking institutions and having little or poor credit. Weakening the CRA exam as proposed would make it more difficult to hold financial institutions accountable for compliance with consumer protection laws.

Lastly, NPRC urges you to apply your revised exam only to banks with assets between \$250 million and \$1 billion, without using an inflation factor each year to increase the number of banks eligible.

Proposed regulatory changes should not result in reducing current banking and community investment opportunities, but should continue to hold financial institutions accountable for their performance in fulfilling the financial needs of the communities in which they are doing business.

Sincerely,

Manuel Mirabal
President