

From: John Pritscher [mailto:Jpritscher@cicchicago.com]
Sent: Monday, May 09, 2005 12:44 PM
To: Comments
Cc: Judy Kennedy (E-mail)
Subject: Comments RE: RIN 3064-AC89

Federal Deposit Insurance Corporation
E-mail: Comments@fdic.gov
Robert E. Feldman
Executive Secretary
Attention: Comments
550 17th St. NW 20429
RE: RIN 3064-AC89

Mr. Feldman:

We at Community Investment Corporation, a nonprofit multifamily rehab lender for affordable housing, appreciate the opportunity to comment on the joint interagency proposal by the FDIC, OCC and Federal Reserve Board to update the CRA rules with a new 2-part test for insured depository institutions between \$250 million and \$1 billion in assets, consisting of two separately weighted tests of equal weight: the Small Bank Lending Test and a new Community Development Test. We SUPPORT this proposal, which actually encourages banks to lend, invest and provide services to low- and moderate-income communities

As you well know, CRA is one of the least known but perhaps most remarkable success stories of domestic policy. As government subsidies for affordable housing and community and economic development have diminished, the private capital provided by insured depository institutions has been critical to non-profit providers and local governments that try to leverage limited subsidy dollars.

We believe the flexible new Community Development Test will help overcome problems with the current Large Bank exam by providing insured depository institutions actual CRA credit for all community development activities, including loans and investments as well as services, thereby encouraging banks to undertake the complex, resource-intensive affordable housing and other community development loans that are critical in many LMI communities.

We encourage you to invite the OTS to rescind its recent CRA rule changes, which are harmful to low- and moderate-income communities, and to join you in your responsive interagency proposal.

Finally, the principles underlying the Community Development Test would also increase the regulatory incentives for institutions above \$1 billion in assets to undertake community development loans. We encourage you to update the rules for larger institutions as well.

We commend your persistence and hard work in continuing to solicit and consider public comment, and issuing a balanced interagency proposal that constructively updates and modernizes the CRA regulations. We look forward to continuing to work with you on making the CRA regulations as effective as possible for strengthening America's communities.

Sincerely,

John Pritscher, President
Community Investment Corporation
222 S. Riverside Plaza, Suite #2200
Chicago, IL 60606-6109
(312) 258-0070 Fax: (312) 258-8888