

May 10, 2005

Robert E. Feldman  
Executive Secretary  
Attention: Comments  
Federal Deposit Insurance Corporation  
550 17<sup>th</sup> St. NW 20429  
RE: RIN 3064-AC89

Dear Secretary Feldman:

On behalf of the Board and staff of the Gulf Coast Fair Housing Center, I urge you to adjust your proposed changes to the Community Reinvestment Act (CRA) regulations so that banks do not reduce their number of branches, community development loans and investments in low- and moderate-income communities. We commend you for the improvements you have made to the fall proposal, but we still have serious concerns about the latest proposal's effects on minorities and low-income areas.

The Gulf Coast Fair Housing Center, was founded in 2003 responding to the need to confront and address housing discrimination along the Mississippi Gulf Coast. GCFHC works to ensure equal housing opportunity for all people through leadership, education and outreach, public policy initiatives, advocacy, and enforcement. Our organization supports and applauds the CRA and the benefits that it has brought to their communities in urban neighborhoods, mid-size cities, and rural areas.

### **Importance of Including All Three Activities**

We are pleased that you have dropped your proposal to allow mid-size banks with assets between \$250 million to \$1 billion to offer either community development loans or investments or services. Banks must be required to engage in all three of these essential community development activities in order to pass their CRA exams as your current proposal requires.

In addition, it is vital that all three activities remain in all communities, especially in low- and moderate-income and minority communities, where conventional banking has severely declined. It is because of CRA, in large part, that these services continue. It is especially important now with the exponential growth of predatory lending.

### **Importance of Examining Bank Branches**

We ask that you maintain a distinct service test for mid-size banks. Without a discreet test, CRA exams would no longer hold these banks accountable for the provision of bank branches and low-cost accounts in low- and moderate-income communities. Payday lending and other high cost and predatory credit services have increased in communities nationwide the last several

years. In addition, we urge you not to change the requirement that community development in rural areas benefit low- and moderate-income areas and distressed communities.

### **Importance of Public Data Disclosure**

Public data disclosure is one of the only ways to hold lending institutions accountable. As has been revealed in the recent 2004 HMDA data, minorities and women, regardless of their income, receive higher loan rates than their white counterparts. Without public access to this information, it would be more difficult to identify and eradicate this type of discrimination without additional enforcement actions. We urge you to drop your proposed elimination of public data disclosure requirements regarding community development.

Thank you for your attention to this matter.

Sincerely,

Pamela Ann Davis  
Executive Director