

**From:** Michael Marsh [mailto:michaelmarsh@toledofhc.org]  
**Sent:** Tuesday, May 10, 2005 9:28 AM  
**To:** Comments  
**Subject:** RE: RIN 3064-AC89

On behalf of the Board, staff and clients of the Toledo 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 Toledo Fair Housing Center is a private, non-profit civil rights agency dedicated to the elimination of housing discrimination and to the expansion of neighborhood choice for all persons. It strives to ensure equal opportunities and access to housing, neighborhoods, public accommodations, lending and insurance. The Center provides education, advocacy and enforcement, and it helps to shape public policy.

### **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,

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