September 9, 2007

Office of the Comptroller of the Currency
Docket ID OCC-2007-0012

Federal Reserve System
Docket No. OP-1290

Federal Deposit Insurance Corporation
RIN 3064-AC97

Office of Thrift Supervision
Docket ID OTS-2007-0030

RE: Proposed CRA Q&As

To Whom it May Concern:

This letter is a response to the Community Reinvestment Act: Interagency Questions and Answers Regarding Community Reinvestment posted in the Federal Register on July 11. The California Reinvestment Coalition (CRC) and its 250 members have found the Community Reinvestment Act (CRA) to be a positive tool in expanding access by financial institutions for low-income neighborhoods and neighborhoods of color. CRC sees a number of positive elements among the issues raised but has concerns as well.

- Foreclosure Prevention: It is positive that the regulators will give favorable CRA consideration for foreclosure prevention activities. CRC is concerned that the regulators carefully assess these activities in order to be certain that lenders are responsive and flexible in a manner that will avert the worst of the mortgage crisis impact on homeowners, neighborhoods and the economy. The regulators should also realize that this is a major safety and soundness issue which requires an increased level of scrutiny needed.

- Branches: CRC members and extensive research have shown the positive impact of branch locations on under-served neighborhoods. This is critical for all banks and should be scrutinized carefully by the regulators.

- Community Development: CRC members see financial institutions focusing on HMDA and other easily quantified CRA measures instead of the needed, strong focus on community development. In California, home mortgages are not affordable for most LMI households and therefore community development is extremely important to understand in measuring the impact of financial institutions on low-income neighborhoods and neighborhoods of color.

! Assessment Areas: CRC believes that CRA must be brought up to date for financial access and community development to move beyond branch assessment areas to include all areas where the financial institution lends and gains significant revenue. Without this review of financial institutions such as Schwab and Countrywide Banks, the regulators are not getting a full view of the activities and impact of the financial institution.

! Double Counting Loans: CRC opposes the proposed addition that would allow a bank to count a loan as purchased if originated by its affiliate. CRC members are extremely concerned about the double counting of loans including the purchases of loans from affiliates or other lenders in order to increase the count of LMI loans in time for regulatory examinations.

CRC appreciates the opportunity to comment on these issues. Please contact us with any questions.

` Sincerely,

Alan Fisher
Executive Director