



July 14, 2010

RE: Eligibility of Neighborhood Stabilization Program (NSP) for CRA consideration

Docket ID OCC-2010-0010

FRB Docket No. R-1387

FDIC RIN 3064-AD60

OTS-2010-0017

To Whom it May Concern:

The National Community Reinvestment Coalition (NCRC) supports the proposed change to the Community Reinvestment Act (CRA) regulation that would define activities funded by the Neighborhood Stabilization Program (NSP) as community development activities eligible for favorable consideration under CRA. In light of the foreclosure crisis, which has devastated communities across America, this is sensible public policy.

NCRC is an association of more than 600 community-based organizations that promotes access to basic banking services, including credit and savings, to create and sustain affordable housing, job development, and vibrant communities for America's working families. As such, our member organizations have witnessed first-hand the economic and social devastation wrought by foreclosures and the current recession.

The agencies propose to provide favorable consideration on CRA exams for loans, investments, and services that support NSP-eligible activities in NSP-targeted areas. NSP-eligible activities involve financing the purchase and redevelopment of foreclosed homes, establishing land banks for homes that have been foreclosed upon, and redeveloping vacant properties. NSP funds can be used for families with incomes up to 120 percent of area median income, provided that 25 percent of NSP funds for any jurisdiction must be used for low-income (up to 50 percent of area median income) families. The agencies further propose that banks can earn favorable consideration for financing NSP projects outside of their assessment area provided that they have satisfied needs in their assessment areas.

While the agencies focus CRA on low- and moderate-income families and communities, they have expanded CRA's reach to middle-income communities in limited and well justified circumstances. The foreclosure crisis is such a circumstance. It is a national calamity that has afflicted scores of communities, including middle-income ones that have been targeted by jurisdictions receiving Department of Housing and Urban Development (HUD) funding. Therefore, for the duration of the NSP program and up until the proposed sunset time period

proposed by the agencies, NCRC supports providing CRA points for bank financing of NSP projects. Further, NCRC supports providing CRA points for NSP projects outside of assessment areas, provided banks have met needs inside their assessment areas. The agencies should carefully assess whether banks have met needs inside their assessment areas, including financing any NSP activities inside their assessment areas.

Thank you for this opportunity to comment on this important matter. If you have any questions, please contact myself or Josh Silver, Vice President of Research and Policy, on 202-464-2708.

Sincerely,

A handwritten signature in black ink, appearing to read 'John Taylor', with a stylized flourish at the end.

John Taylor
President and CEO