
From: Eric Rosiak <ERosiak@cstreetcap.com>
Sent: Wednesday, May 15, 2013 2:17 AM
To: Comments
Subject: Proposed Changes to CRA Q&A

I am encouraged by the attention to public comments received in regards to the Questions and Answers for community development and appreciate the Agencies for providing clarification and additional guidance.

I am supportive of the proposed revision to § __.12(h) – 6 and § __.12(h) – 7 and the new Q&A proposal for § __.12(t) – 9.

In regards to the proposed changes to § __.23(a) – 2 for national funds, I believe that community and regional banks should not be held to a different standard than large banks. Community banks focus on serving their communities and oftentimes do not have enough safe and sound opportunities in their assessment areas so they need the ability to extend beyond and consider national funds. Community and regional banks should not be precluded from participating in national funds for CRA credit so long as they can demonstrate that the fund has a history of activity in the market, the intention to address geographies or individuals located within the bank's assessment areas or a local presence. In addition, the businesses that typically benefit from Community Development initiatives, like the Small Business Administration's Small Business Investment Company (*SBIC*) program, are likely community and regional bank customers as a result of the requirements of the program. Community and regional banks should not be held to a more restrictive set of rules than large banks as it puts them at a competitive disadvantage to the large banks.

Typically, a fund needs to get commitments from banks and other investors in advance of making the investments. To do so, bankers must have confidence that they will receive CRA credit for their commitment to the fund. With this reality in mind, it is not practical to require the fund to make investments in specific assessment areas or burden the fund with earmarks as it may create risks for other investors. So long as the purpose, mandate and function of the fund is defined to meet the community development objectives and/or operating through a government program such as the SBIC program, the bank should receive full credit for its commitment which includes a legal obligation to fund.

Sincerely,
Eric Rosiak

Eric Rosiak, CPA
Managing Director
Commerce Street Capital, LLC
1445 Ross Avenue, Suite 2700
Dallas, TX 75202
214-545-6887 office
217-637-6100 cell
www.commercestreetcapital.com

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