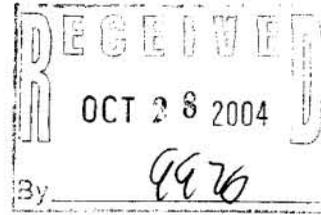




MARTIN O'MALLEY
Mayor
250 City Hall
Baltimore, Maryland 21202



October 20, 2004

Robert E. Feldman
Executive Secretary
Attention: Comments/Legal ESS
Federal Deposit Insurance Corporation
550 17th Street, NW
Washington DC 20429

Dear Mr. Feldman:

We write to urge you to withdraw the proposed changes to the Community Reinvestment Act (CRA) regulations. CRA has been instrumental in creating affordable housing opportunities, increasing access of low- to moderate-income and minority citizens to banking services, and protecting our most vulnerable populations from predatory lending here in the state of Maryland.

The proposed changes include three major elements: 1) provide streamlined and cursory exams for banks with assets between \$250 million and \$1 billion; 2) utilize a new community development criterion for investment that will prompt banks to scale back their CRA investments and consolidate their services to low and moderate income individuals; and 3) exempt banks from reporting their small business lending, providing less assurance that sufficient small business investment is occurring to women- and minority-owned businesses.

Under the current CRA regulations, banks with assets of at least \$250 million are rated by performance evaluations that scrutinize their level of lending, investing, and services to low- and moderate-income communities. The proposed changes will eliminate two of the three tests -- the investment and service parts of the CRA exams -- for mid-size banks with assets between \$250 and \$1 billion. ***The proposed changes would reduce the rigor of CRA exams for 15 of the 43 banks in the state of Maryland. These 15 banks have over \$7.3 billion in total assets, which accounts for more than 29% of total bank assets in Maryland.***

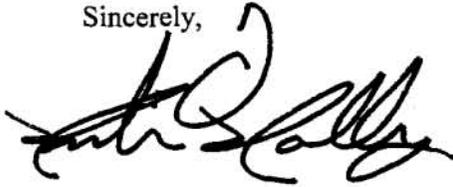
The new community development criterion that would replace the separate lending, investment, and service tests would permit consolidated investment by banks. Fewer bank branches would be built in low- and moderate-income communities with the absent regulations, and banks would be less concerned in providing affordable services to underserved populations, as currently required by CRA. Consolidated community development investment could also mean fewer dollars available to support economic development in our urban and rural areas.

Lastly, excluding the reporting of a bank's small business lending activities would prohibit the public from ensuring that women- and minority-owned businesses are receiving the investments they deserve.

The proposed changes to CRA will not only impede progress made throughout Maryland to expand community development lending and combat predatory lending, but also directly undercut the Bush Administration's emphasis on minority homeownership and immigrant access to jobs and banking services. ***CRA is simply a law that makes capitalism work for all Americans. CRA is too vital to be gutted by harmful regulatory changes and neglect.***

Thank you for your attention to this critical matter.

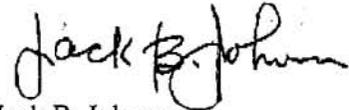
Sincerely,



Martin O'Malley
Mayor
Baltimore City, Maryland



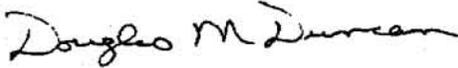
James T. Smith, Jr.
County Executive
Baltimore County, Maryland



Jack B. Johnson
County Executive
Prince George's County, Maryland



James M. Harkins
County Executive
Harford County, Maryland



Douglas M. Duncan
County Executive
Montgomery County, Maryland

cc: Senator Paul S. Sarbanes
Senator Barbara A. Mikulski
Congressman Benjamin L. Cardin
Congressman Elijah E. Cummings
Congressman C.A. Dutch Ruppersberger III
Congressman Albert R. Wynn
Congressman Steny H. Hoyer
Congressman Christopher Van Hollen, Jr.
Congressman Wayne T. Gilchrest
Congressman Roscoe G. Bartlett, Jr.
National Community Reinvestment Coalition