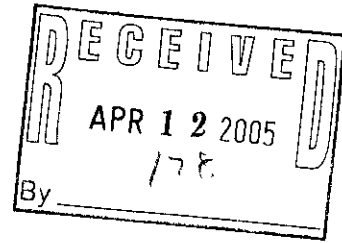


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April 4, 2005

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

RE: RIN 3064-AC89

To Whom it May Concern:

I am an attorney in Los Angeles. I represent many clients that suffer as a result of predatory lending, sub prime lending, discriminatory practices in the lending and banking industry and lack of access to conventional lending institutions. I urge you to retain the current exam structure of the Community Reinvestment Act (CRA) regulations. My concern is that under the proposed changes banks will further reduce their levels of branches, community development loans and investments in low- and moderate-income communities.

Within the proposed community development test, the retail portion of the service test would be eliminated as a separate criterion for mid-size banks and would no longer assess the number and percent of branches in low- and moderate-income communities. A California Reinvestment Coalition (CRC) report demonstrated the disparities between the number of branches located in low income communities as compared to the number of check cashing and payday loan establishments. It showed the lack of competition from mainstream finance and huge profit opportunities have meant that the number of check cashers and payday lenders has increased nationally from 2,000 to 22,000 in recent years and is still growing.

It is my concern that without the separate test for assessing retail branches under the service test, mid-size banks would not build bank branches in low- and moderate- income communities. Banks, in fact, have targeted their expansions of bank branches in the wealthiest communities of metropolitan areas. Without brick and mortar branches, low- and moderate- income consumers in need of financial services would become further dependent on expensive check cashing and payday lending outlets. The provision of bank branches must be a clear factor on any CRA exams for mid-size banks

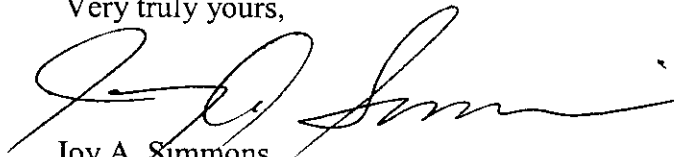
Instead of the separate bank service test, financial products such as low-cost bank accounts and low-cost remittances would be evaluated under the new community development test for mid-size banks. Would the agencies evaluate through data collection how well these products work and if they are reaching their intended market? Banks should be responsible under CRA to develop lending, deposit and financial products that work for low- and moderate- income consumers.

Also, I beg you to maintain the existing exam structure of separate lending, investment, and service tests. I believe this method is the most effective method for maximizing the number of branches in a low-income community, increasing the level of community development financing, and encouraging the banks to develop products that would benefit low-income consumers. Without the three separate tests of the existing CRA exam, mid-size banks will have little incentive to meet with communities to negotiate for increased lending, services and investments. If your decision is to operate under a new exam format, then please compare past levels of community development lending, services and investments so that banks are penalized if they significantly decrease their presence in low-income communities.

In addition, the regulators should not adjust the asset threshold for mid-size banks on an annual basis as a result of inflation. If the regulators use an inflation factor each year to increase the number of banks subject to the new and abbreviated CRA exam, the results will be lower levels of bank financing and services for low- and moderate- income communities.

I appreciate your sincere consideration.

Very truly yours,



Joy A. Simmons

cc: Community Reinvestment Coalition