

From: Michael Marsh [mailto:mmarsh@nodatoledo.org]
Sent: Tuesday, April 19, 2005 10:34 AM
To: Comments
Subject: FRB: RE: Docket No. R-1225, OCC: RE: Docket Number 05-04, FDIC: RE: RIN 3064-AC89

Michael Marsh
Vice President, Development and PR
Northwest Ohio Development Agency
1000 Monroe St. Ste. 4
Toledo, OH 43624

April 19, 2005

Robert E Feldman

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Dear Robert Feldman:

The newly proposed Community Reinvestment Act (CRA) regulations are significantly better than the recently enacted Office of Thrift Supervision regulations for large thrifts. As a community development advocate, the importance of continuing to improve and strengthen the CRA is of the utmost importance to expanding access to capital and financial services to all individuals living in the United States. Despite my appreciation that this proposal is more constructive than the recently enacted OTS regulations, I maintain a number of serious concerns.

I support the continued inclusion of a required investment test in CRA examinations for mid-sized banks. The current required community development investment component for mid-sized banks directly benefits low and moderate-income communities by empowering local community actors with the unique knowledge of local market and economic conditions to make the most effective use of banks' CRA investments. Over the last 30 years, CRA has fostered partnerships between CDFIs and mainstream financial institutions to meet need and develop capacity where none existed previously. Any alteration of the current investment test structure must ensure the continuation of the important catalytic partnerships between mainstream financial institutions and local community actors. The ramifications of reducing the importance of such partnerships could lead to a dramatic reduction in the building of affordable housing, community health clinics, community centers, and economic development projects, all critical to community development.

I support the introduction of a new definition of rural to include the CDFI Fund's expanded definition of "rural areas." In the case of the CDFI Fund grant programs, the rural definition has helped community development and other CDFIs serve high-need rural areas. Using the same definition for mainstream banks will increase the likelihood that they will provide the necessary community development lending, investment, and services to improve quality of life in the most underserved rural communities.

Community Development Financial Institutions are private-sector, financial intermediaries with community development as their primary mission. While CDFIs share a common objective, they have a variety of structures and development lending goals. There are six basic types of CDFIs: community development banks, community development loan funds, community development credit unions, microenterprise funds, community development corporation-based lenders and investors, and community development venture funds. All are market-driven, locally-controlled, private-sector organizations.

Thank you for your consideration.

Sincerely,

Michael P. Marsh, CFRE
Vice President, Development and PR
Northwest Ohio Development Agency