

New York State

Rural Advocates

P.O. Box 104 • Blue Mountain Lake, N.Y. 12812 • (518) 352-7787 phone/fax

May 16, 2013

Re: Proposed Changes to Interagency Q&A

OCC: Docket ID OCC-2013-0003

Federal Reserve: Docket No. OP-1456

FDIC: Attention: Comments on CRA Interagency Q&A

To Whom It May Concern:

NYS Rural Advocates urge you to take this opportunity to engage in comprehensive reforms to CRA regulations concerning assessment areas, service test, foreclosure prevention, and the consideration of loan purchases on CRA exams.

The foreclosure crisis and the overall slowdown in lending is a particular concern for low and moderate income customers in rural New York.

The agencies propose to motivate increased community development lending and investing in smaller cities and rural areas by facilitating lending outside of banks' assessment areas (or geographical areas containing bank branches that are scrutinized by CRA exams). Currently, a bank receives favorable CRA consideration for lending and investing in statewide or regional areas that includes the bank's assessment areas provided that the bank is adequately serving the needs of its assessment areas. The agencies propose to change this to providing favorable CRA consideration for community development financing in the larger areas as long as the financing in the larger areas are not "in lieu of or to the detriment of" financing in the assessment areas.

These proposed changes would modestly help community development financing in smaller cities and rural communities, but these changes are much less effective than making broader changes to banks' assessment areas would be. Currently, assessment areas are based on the geographical areas containing a bank's branches. However a major portion of mortgage lending and small business credit card lending in our region is done by affiliates of banks that have no branches in our area. The agencies should designate additional assessment areas for counties and metropolitan areas in which a bank makes sizable numbers of loans, but in which the bank does not have branches. Expanding assessment areas would be more effective in stimulating increased community development financing and home and small business lending

We are also concerned about the lack of data in rural areas. Currently there is no way for the community to know if an institution's community development lending is effective in rural areas. We urge you to publicly provide data on community development lending and investing on, at the very least, a county level.

Thank you for your attention to these comments.

Sincerely,

Nancy Berkowitz
NYS Rural Advocates