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To: Comments
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To Whom It May Concern:

Self-Help Enterprises (SHE) is a nonprofit housing and community development organization that has served the low income population of the San Joaquin Valley of California since 1965. In all, SHE has assisted over 15,000 families to obtain decent affordable homes and apartments, mostly in rural areas with large populations of farm workers.

We oppose the changes to the Community Reinvestment Act (CRA) regulations proposed by the Office of the Comptroller of the Currency (OCC) and the Federal Deposit Insurance Corporation (FDIC), for the following reasons:

The new scoring system would allow banks to completely ignore almost half of the markets where they have branches and still pass their exams, The system that gives credit to banks for having branches in LMI communities is weakened and will likely lead to massive branch loss in communities that are already underserved, The proposal would lessen the public accountability of banks by not accurately measuring its responsiveness to local needs. The proposal would make it so banks no longer have an obligation to make mortgage loans in neighborhoods with low and moderate incomes.

In the low income communities we serve, access to lending resources dramatically affects the wealth gap in our agricultural-based economy. Strong CRA requirements are one of the few tools that has offered a counter balance to this inequity.

It is clear that the proposed rules would weaken CRA. The focus on LMI communities would be lost - the exact intent of CRA when it was signed in 1977. This backtracking would violate the agencies' obligation under the statute to ensure that banks are continually serving community needs. The FDIC and OCC need to discard the proposal, and instead work with the Federal Reserve Board to create an interagency rule that will augment the progress achieved under CRA instead of reversing it.

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