



**Pleasant Point Passamaquoddy
Reservation Housing Authority**

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Mr. Robert E. Feldman
Executive Director
Attention; Comments/Legal ESS
Federal Deposit Insurance Corporation
550 17th. street NW
Washington, DC 20429

Re: RIN 3064-AC50

Dear Mr. Feldman:

I am a concerned Native American from the Passamaquoddy Tribe in Maine opposed to watering down CRA (Community Reinvestment Act) requirements for mid-sized banks. CRA is vital for increasing homeownership and economic development in lower income communities. Your proposed changes will halt the progress that has been made.

I understand that banks with over \$ 250 million in assets must be tested on their number of loans, investments, and services to low- and moderate-income communities. But your proposal would eliminate the investment and service requirement for all banks with under \$ 1 billion in assets. This will result in significantly fewer loans and investments in affordable rental housing, Health clinics, community centers, and economic development projects.

Native Americans living on reservations are the most un-banked population in United States. The Passamaquoddy Tribe, for example, has 2 bank branches in Maine who recognize lending strategies of Maine Indians. Such revision to regulations would only worsen banking services to Maine Indian Reservations.

The proposed changes, which would make smaller banks less accountable for their community Reinvestment activity, alarm us, as banks are finally waking up to the investment opportunities in Indian Country. Indian Country has made strides with the help of banks in the mortgage arena—we observed conventional mortgage activity increase for Native Americans in 2003. we believe that the strength of the current law has been instrumental to this development.

The following data point up the service continuing needs in Indian Country, that require a strong CRA, According to the GAO, the rate of homeownership for Native Americans living on reservation is just 33%, or half that of the general population and substantially lower than that of other minority groups. In addition, Native Americans are four times more likely than the average American family to live in substandard housing. (Fannie Mae data, Testimony, Patty Green, May 3, 2004, House financial Services Committee) Overcrowding has been documented in the NAIHC study.