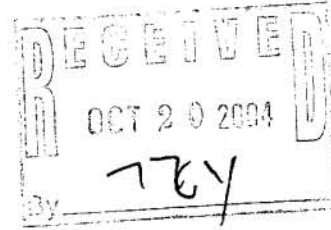


ALAN ARAKAWA
MAYOR



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OFFICE OF THE MAYOR
Ke'ena O Ka Meia
COUNTY OF MAUI – Kalana O Maui



October 15, 2004

Mr. Robert E. Feldman
Executive Secretary
Attn: Comments/Legal ESS
Federal Deposit Insurance Corporation
550 17th Street, NW
Washington, DC 20429

By FAX: 202-898-8788

RE: RIN 3064-AC50

Dear Mr. Feldman:

The U.S. Conference of Mayors has reported that the Federal Deposit Insurance Corporation (FDIC) has plans to water-down the Community Reinvestment Act (CRA) requirements for mid-sized banks. CRA is critical for increasing home ownership and economic development in lower-income and rural economies such as the County of Maui; any proposed change will only serve to penalize our very rural community and to halt the modest progress that has been made.

The FDIC proposal, as I understand it, would eliminate investment and service requirements to low- and moderate-income communities for all banks under \$1 billion in assets, with the possible implication of offering significantly fewer loans and investments in affordable rentals, health clinics, community centers and economic development activities in our communities which are, in many ways, completely dependent on such resources.

The County of Maui is predominantly rural. We have essentially three population centers: Visitor communities such as Kihei/Wailea and Lahaina/Kanapali, and the Kahului/Wailuku business and industrial area. Everything else – Molokai Island, Lanai Island, Hana, Makawao, Honokowai, Honokohau, Kahakuloa, Waiehu, Kaupo, Kipahulu, etc. – are rural communities; dependent on small businesses and, with the average cost of a single family dwelling on Maui currently at \$700,000-plus, our average citizens are in desperate need of housing assistance.

Watered down requirements for banks will only further penalize our rural, underserved communities; allowing banks to cherry-pick and focus solely on more affluent communities who, most likely, can raise loans pretty much anywhere they want.

Please recognize the harm that may come to underserved communities by your proposal. Please, don't neglect the small communities; CRA is too important to too many to be gutted.

Sincerely,

Alan Arakawa
Mayor

cc: The U.S. Conference of Mayors