

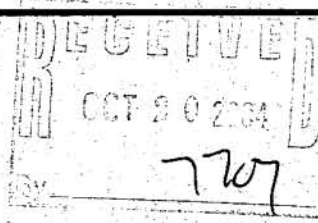


# CITY OF RENTON

Mayor  
Kathy Keolker-Wheeler

October 18, 2004

Robert E. Feldman, Executive Secretary  
Attention: Comments/Legal ESS  
Federal Deposit Insurance Corporation  
550 17<sup>th</sup> St NW  
Washington, DC 20429



**RE: RIN 3064-AC50**

Dear Mr. Feldman:

As Mayor of the City of Renton, I am writing to express opposition to the watering down of Community Reinvestment Act (CRA) requirements for mid-sized banks. CRA is vital for increasing homeownership and economic development in lower income communities. However, 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-communities. Your proposal would eliminate the investment and service requirements 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.

In the watered-down exam, you would allow mid-sized banks to choose which community development activities they will undertake. Right now, these banks must make community development loans, investments, and services. Your proposed test allows banks to choose only one of these three activities. The result will be less community development activity.

Finally, you would also eliminate publicly available data on the small business lending of mid-sized banks. Without data, community groups and citizens cannot hold banks accountable for lending to small businesses in their neighborhoods.

Your changes directly oppose CRA's mandate to require lenders to meet community needs. CRA is too important to be gutted. Please drop your proposal like the two other federal agencies that recognized its harm to underserved communities.

Sincerely,

Kathy Keolker-Wheeler  
Mayor

04-145/KKW:mp

cc: The US Conference of Mayors  
Jay Covington, CAO  
Alex Pietsch, Administrator, EDNSP

