

City of
Indianapolis
Burt Peterson, Mayor



October 20, 2004

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

RE: RIN 3064-AC50

Dear Mr. Feldman:

This is to express my deep concern about the Federal Deposit Insurance Corporation's (FDIC) proposed revisions to the Community Reinvestment Act (CRA). Specifically, the City of Indianapolis is concerned about the weakened CRA community development criterion for banks with assets over \$250 million as well as the change in asset size threshold to \$1 billion.

CRA is vital to increasing homeownership and economic development in our lower-income communities. Today in Indianapolis, a major effort is underway to increase affordable housing and eliminate homelessness. This effort draws upon resources from across the community including low interest loans from banks. The proposed revisions would dramatically reduce the number of banks making investments in these communities. In Indianapolis, only 3 banks would meet the proposed new asset size threshold. Under current law, there are 8 banks with over \$250 million in assets, and these banks are evaluated based on the number of community reinvestment activities (loans, investments and services) provided to low- and moderate-income communities.

The FDIC's proposed revisions would dramatically reduce community reinvestment activities resulting in significantly fewer loans and investments going toward affordable rental housing, health clinics, community centers and economic development projects in Indianapolis. What also is alarming is that of the 59 banks in Indiana with over \$250 million in assets, only 15 of them would meet the proposed new threshold of \$1 billion to be obligated to conduct all three types of community reinvestment activities in Indiana communities.

Allowing mid-sized banks with assets of between \$250 million and \$1 billion to opt to conduct only one type of community development activity rather than all three will result in less community development activity in our cities. These proposed revisions directly contradict the


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CRA mandate to requiring lenders to meet community needs. I respectfully request that your agency drop this proposal to reduce the amount of resources and investments being made to underserved communities.

Sincerely,

A handwritten signature in black ink that reads "Bart Peterson". The signature is written in a cursive style with a large initial "B".

Bart Peterson
Mayor

cc: Senator Richard Lugar
Senator Evan Bayh
Representative Julia Carson