



Mayor of Providence

David N. Cicilline

October 18, 2004

7265

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

RE: RIN 3064-AC50

Dear Mr. Feldman:

I am writing to voice my opposition to the weakening of the CRA (Community Reinvestment Act) requirements for mid-sized banks. CRA is critical to increasing the opportunities for home ownership and economic development in urban and low-income communities. The changes you are proposing are detrimental to that effort and will halt the progress made to date.

I understand that banks with more than \$250 million in assets must be tested on their number of loans, investments and services to low- and moderate-income communities. Your proposal eliminates the investment and service requirements for all banks with less than \$1 billion in assets. It is certain that significantly fewer loans and investments in urgently needed affordable rental housing, health clinics, community centers and economic development will occur.

In the watered-down exam, you would permit mid-sized banks to choose which community development activities they will undertake; right now, these banks must undertake all three - community development loans, investments *and* services. This will lead to less community development activity.

Your proposal also enables community development activities in rural areas to benefit all individuals, rather than low- and moderate-income individuals. Such an action would allow banks to focus on affluent residents rather than the lower-income residents the CRA is designed to serve. Finally, your proposal eliminates the public disclosure of small business lending practices, without which banks cannot be held accountable for their actions.

- more -

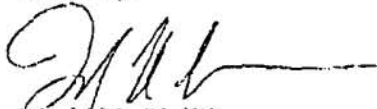
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letter to Ex. Secy. Robert E. Feldman, FDIC

October 18, 2004

I would urge you to immediately reconsider your actions and rescind your proposal, which will amend and run counter to the letter and spirit of the Community Reinvestment Act.

Sincerely,



David N. Cicilline
MAYOR

DNC/ag

cc: US Conference of Mayors