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NORTH CAROLINA

COMMITTEE ON APPROPRIATIONS
VETERANS' AFFAIRS,
HOUSING AND URBAN DEVELOPMENT
AND INDEPENDENT AGENCIES

LEGISLATIVE

SELECT COMMITTEE ON
HOMELAND SECURITY



CONGRESS OF THE UNITED STATES
HOUSE OF REPRESENTATIVES
WASHINGTON, DC 20515

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The Honorable Donald E. Powell
Chairman
Federal Deposit Insurance Corporation
550 17th Street, NW
Washington, DC 20429

Dear Mr. Chairman:

I am writing to express my concern with aspects of the Federal Deposit Insurance Corporation's (FDIC) proposed revisions to the regulations implementing the Community Reinvestment Act (CRA).

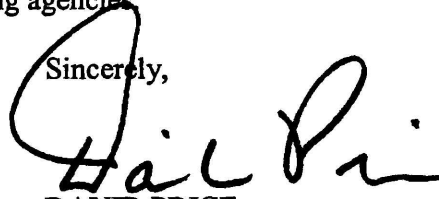
While there are problems with some aspects of current regulation that should be addressed, this particular proposal would undermine the intent of the CRA to make banking services and credit more available to underserved communities and individuals. Perhaps of greatest concern is the proposal to shift the focus of community development efforts away from activities that benefit low- and moderate-income individuals to activities that benefit any individuals who reside in rural areas, regardless of their income.

I am also concerned that the FDIC has initiated this rulemaking on its own, since changes to the regulations governing the CRA have traditionally been considered jointly by the Federal Reserve, FDIC, Office of the Comptroller of Currency (OCC), and the Office of Thrift Supervision (OTS). As you know, there was an earlier attempt at a joint rulemaking that failed after the agencies of jurisdiction were unable to reach agreement on several items. One area of common ground among the agencies was a proposal to raise the threshold for a "small bank" from \$250 million to \$500 million. I find it particularly difficult to understand, therefore, why the FDIC would unilaterally propose a definition of a "small bank" that would raise the threshold to \$1 billion.

We should not overburden small banks with compliance requirements, and we should avoid forcing banks to chase after the same community investments. Rather than simply exempting mid-sized banks from complying with mandatory investment requirements, however, we should consider other solutions, such as allowing banks to receive CRA credit for some categories of community investments that do not currently qualify. This is the sort of give and take on legitimate concerns of both banks and consumer groups that can be addressed in a more equitable and credible way when all four regulators work together.

I urge the FDIC to withdraw the proposed rule and make a new attempt to reach consensus with the other regulating agencies.

Sincerely,

A handwritten signature in black ink, appearing to read "David Price". The signature is fluid and cursive, with a large initial "D" and "P".

DAVID PRICE
Member of Congress

DP:es