
From: Loretta Hines [loretta.hines@micromass.com]
Sent: Monday, January 24, 2005 4:02 PM
To: Comments, Regs
Subject: OTS Docket Number, No. 2004-53

Regulation Comments - Chief Counsel's Office - Office of Thrift Supervision
1700 G St. NW , Washington DC 20552
Attention: No. 2004-53
To Whom it May Concern:

I am writing to oppose your CRA Streamlining Proposal. This proposal contradicts the purpose of the Community Reinvestment Act (CRA) because it will significantly reduce the amount of community development financing and basic banking services in low- and moderate-income communities. You would allow thrift institutions to design their own watered-down Community Reinvestment Act (CRA) exams. The thrifts could eliminate the investment and service parts of the CRA exam, meaning that you would not require them to make investments in or provide branches to low-and moderate-income communities. Currently, large thrifts with more than \$1 billion in assets have a "three part" CRA exam that consists of a lending test, an investment test, and a service test. Under your proposal, a large thrift can choose to eliminate its investment and service tests, and thus only have to pass a lending test. Or it can choose to have miniscule investment and service tests, meaning that the lending test counts for virtually all of the total grade.

The danger with this proposal is that large thrifts can get away with neglecting pressing community needs. The "design your own easy CRA exam" option will increase the amount of abusive payday loans, check cashing, and other high cost services in low- and moderate-income communities since thrifts will reduce their provision of basic banking services after implementing their own easy exams.

At the same time, your proposal would allow thrifts to finance community development of affluent communities, not lower income neighborhoods, in rural areas and areas afflicted by natural disasters. This is contrary to the purpose of CRA to combat redlining of low- and moderate-income communities. Please withdraw your proposal. If you have any questions, please call me at 919-256-2453 (OTS is asking that e-mail comments include phone numbers).

Sincerely,
Loretta Hines

Loretta Hines
Production Manager
MicroMass Communications, Inc.
11000 Regency Parkway, Suite 300
Cary, NC 27511
919-851-3182 main
919-256-2453 direct
www.micromass.com

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