

11 Booth Lane
Haverford, PA 19041

January 24, 2005

Regulation Comments
Chief Counsel's Office
Office of Thrift Supervision
1700 G Street, NW
Washington, DC 20552

Attention: No. 2004-53

Dear Counsel:

As a citizen concerned about investment in communities and as a member of a congregation that invests in The Reinvestment Fund, a Community Development Financial Institution located in Philadelphia, Pennsylvania, I urge you to withdraw immediately your proposed changes to the Community Reinvestment Act (CRA) regulations. If it enacts these regulations, the Office of Thrift Supervision (OTS) will create a watered-down, ineffective CRA exam for the nation's savings associations, in direct opposition of Congressional intent of the law.

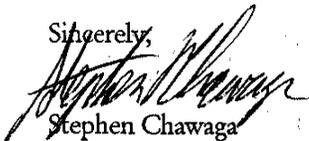
Under current regulations, large thrifts with assets of more than \$1 billion have performance evaluations that review lending, investing, and services to low- and moderate-income communities. You propose that all thrifts follow a community development criterion that allows them to eliminate the investment and service tests. Instead of demonstrating a full range of services to their communities, thrifts would be able to select their own examination criteria, without regard for the demand in their markets. This change would significantly reduce the amount of community development financing and services in low-income communities--the very communities that the CRA was enacted to serve.

I do not want to see thrifts doing less to serve their communities and be able to dodge opportunities to provide financing for affordable housing, community services, and small businesses, as well as services for low-income people.

Your proposal is especially harmful in rural communities. It seeks to have community development activities in rural areas counted for any group of individuals regardless of income. This could divert services from low- and moderate-income communities in rural areas where the needs are particularly great. There is no CRA penalty if thrifts choose to not provide community development finance to low- and moderate-income communities in rural areas. There is no justification for this action.

The CRA encourages federally insured financial institutions to meet the credit and banking needs of the communities they serve, especially low- and moderate-income communities. This proposal undermines the intent of CRA, and threatens to undo the years of effort to bring unbanked consumers into the financial mainstream. I urge you to remove immediately this dangerous proposal from consideration.

Sincerely,



Stephen Chawaga

CC: Senator Arlen Specter
United States Senate, Pennsylvania
711 Hart Building
Washington, DC 20510

Senator Rick Santorum
United States Senate, Pennsylvania
511 Dirksen Building
Washington, DC 20510