

Subject: Community Reinvestment Act Comments

Docket No. ID OTS -2010-0019

August 30, 2010

Dear Sir/Madame:

Thank you for holding hearings around the country to learn of ways to improve the Community Reinvestment Act (CRA). While CRA has been instrumental in increasing lending in some communities, much more needs to be done to update CRA to ensure that it meets the needs of today's diverse communities.

Consumer Action would recommend that many more lenders be included under CRA requirements, including brokers and other non-bank lenders. Assessment areas should be expanded to include areas where banks are actually lending.

Lending by banks' non-depository affiliates should be *required* to be included in CRA exams to ensure that they are meeting the needs of their communities and are doing so in a safe and sound manner.

Loan data broken down by race and ethnicity (including specificity in Asian communities) should be examined by regulators to help prevent abusive and unfair lending practices. Many predatory subprime loans would likely never have been made if examiners were regularly reviewing what loans were going to whom exactly. Loan data should also be reviewed and categorized by the type of loan granted in each community.

CRA Ratings should allow for greater distinctions such as allowing for a "Low Satisfactory" rating and a "High Satisfactory" rating with an opportunity for examiners to explain why they arrived at that distinction. If a bank receives a "Low Satisfactory" rating regulators could require the lender to submit a specific improvement plan and timetable for completion.

The foreclosure crisis that American families are still reeling from could have been far less devastating if CRA reform was already a reality. Consumer Action is confident that the improvements you now have the ability to make to CRA stand to have an enormous impact on our nation's financial future and its families.

Consumer Action is a nonprofit organization that has championed the rights of underrepresented consumers nationwide since 1971. Throughout its history, the organization has dedicated its resources to promoting financial literacy, in multiple languages, and advocating for consumer rights in the media, and before regulators and lawmakers to promote economic justice for all.

Sincerely,

Ruth Susswein

Ruth Susswein
Deputy Director, National Priorities
Consumer Action