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UNIDOS PARA LA GENTE
P. O. Box 341
San Marcos, Texas 78667

June 19, 2000

Manager, Dissemination Branch
Information Management & Services Division
Office of Thrift Supervision
1700 G Street NW
Washington, DC 20552

RE: Docket # 2000-44

OFFICE OF THRIFT SUPERVISION
DISSEMINATION BRANCH
2000 JUN 23 P 2:57

Dear Ms. Johnson:

As the president of Unidos Para La Gente, I am asking and encouraging you to make changes in the proposed "sunshine" regulations, which I believe will adversely affect the Community Reinvestment Act (CRA). Federal banking agencies, no doubt, had difficulty in developing regulations for the statute. And they have tried to reduce the burden for neighborhood organizations, banks, and others interested in community development.

The sunshine statute threatens to reverse more than twenty years of bank-community partnerships and progress by requiring disclosure of private contracts to federal agencies if the parties engage in CRA contacts or discussions about how to help the bank make more loans and investments in low-income communities. The result will be fewer loans and investments reaching the communities in which I work, and my job of revitalizing communities will become much harder.

Unidos Para La Gente asks that the federal banking agencies not implement the CRA contact rules without an opinion from the Department of Justice's Office of Legal Counsel regarding its constitutionality. Also Unidos Para La Gente asks that the Federal Reserve eliminate all CRA contacts as a trigger for disclosure.

Since only a higher number of loans and investments in more than one market is likely to have a material impact on a CRA rating, we are also asking that federal banking agencies revise their material impact standard. A number of non-governmental organizations in my locality routinely receive grants of more than \$10,000 or loans of more than \$50,000 to do community development. If the material impact standard is not changed, the agencies will be swamped with letters, written understandings, or contracts about these types of loans and grants.

A more realistic approach would be to focus on agreements made during the public comment period on a merger application or during the time period when a CRA exam is announced and when the examination occurs. Also, the indefinite time period suggested by Senator Phil Gramm (R-TX) would result in enormous burdens by all parties in remembering and tracking negotiations and meetings concerning loans, investments, and grants in communities which are traditionally underserved.

Unidos Para La Gente further asks that it be specified in the final regulation that the use of IRS Form 990 be an acceptable means of

of disclosure, thereby simplifying reporting requirements and reducing burdens for non-profit organizations that are already familiar with the 990. And Non-profit organizations should be able to comply with the disclosure requirement by describing the specific activity for which grants or loans were received in a few sentences.

Also Unidos Para La Gente agrees with Federal agencies that non-governmental parties should not be required to submit annual reports during the years in which they did not receive grants or loans under the agreement. And non-negotiating parties should not be required to report since they may not even know that they received grants or loans because of a CRA agreement.

It may not be possible for the sunshine provision to be a regulation without being meddlesome, but we believe that our suggestions on **CRA Contacts, Material Impact, Means of Disclosure, and Who Must Report** will reduce the burden and damage it would cause to revitalizing communities. We urge the adoption of our ideas.

We will be working with community organizations, local public agencies, banks, and other concerned parties against this counter-productive statute that would penalize and burden simply because they are helping to revitalize neighborhoods which are traditionally underserved.

Sincerely yours,

Mary Compton
Mary Compton, President
Unidos Para La Gente

PEACE AND JUSTICE COORDINATOR
First United Methodist Church
411 N. Lamar Avenue
San Marcos, Texas 78666

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SPECIAL AGENT IN CHARGE
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Mary Compton, Coordinator
Peace and Justice Coordinator
First United Methodist Church
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