

July 17, 2000

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

Attention: Docket No. 2000-44

Manager:

I am writing on behalf of Consumers Union of U.S., Inc. to urge you to make significant changes in the proposed "sunshine" regulations. We believe the sunshine statute strikes at the heart of the Community Reinvestment Act (CRA). The essence of the Community Reinvestment Act is encouraging members of the general public to articulate credit needs and engage in dialogue with banks and federal banking agencies. The sunshine statute, by making CRA-related speech suspect, threatens to reverse more than twenty years of bank-community partnerships and progress.

In the preamble to the draft regulation, the federal agencies state that the IRS 990 form provides more than enough detail for satisfying disclosure requirements. Codifying the use of the 990 forms would simplify reporting requirements and reduce burdens for nonprofit organizations that are already familiar with the 990.

Because of the profound damage that the CRA "contact" portion of the sunshine provision could cause, we suggest that the federal banking agencies refrain from implementing the CRA contact rules until they have sought an opinion from the Department of Justice's Office of Legal Counsel regarding its constitutionality and how to define "contact" sufficiently narrowly to make the definition workable.

The Federal Reserve Board has the discretionary authority to exempt agreements or contracts from disclosure based on CRA contacts. We suggest that the Federal Reserve to eliminate all non-written CRA contacts as a trigger for disclosure. We also suggest that the regulation clearly define "contact" to exclude communications entities that engage in discussions with financial institutions as part of a CRA coalition, rather than engaging directly in one on one negotiations with the financial institution about grants or loans to support the

organization's own programs. CRA coalitions commonly negotiate with a financial institution for loan or grant commitments for specific purposes or neighborhoods, but not for specific organizations. Requiring disclosure and reporting triggered by CRA contacts made solely through a coalition may deter participation in these coalitions despite the value to communities and to financial institutions of the shared learning about community needs that can result from these conversations. Oral contact should not be considered CRA contact because of the inability to document and define the contact. The agencies need to have very specific and clear definitions of what a CRA contact is.

For these reasons, we urge the federal banking agencies to adopt our suggestions for streamlining the sunshine regulation.

Very truly yours,

A handwritten signature in cursive script, appearing to read "Gail H", followed by a long horizontal line extending to the right.

Gail Hillebrand