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From: Pam Salsedo [pam@cceda.com]
Sent: Wednesday, October 17, 2001 2:50 PM
To: regs.comments@ots.treas.gov
Subject: Regulation Comments - CRA Review

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Regulation Comments
Chief counsel's Office
Office of Thrift Supervision

CRA has been critical to economic improvement of low-income communities and communities of color in California. The 200 member organizations of the California Community Economic Development Association (CCEDA) have many programs and projects that have benefited from bank programs that were motivated by CRA.

CCEDA is a membership organization of nonprofit community-based organizations committed to economic and social change in California's disadvantaged communities. CCEDA members are actively engaged in a wide range of activities: housing, commercial and industrial development, employment training, job creation, business expansion, Individual Development Accounts and the provision or facilitation of human services. CCEDA believes that the full array of programs and services provided by our membership constitute the appropriate spectrum of community development that must be considered when reviewing CRA regulations.

We believe that lending should be a primary CRA test although investments and services continue to be very important. Please consider the following key changes to the regulations:

Include bank-like subsidiaries of financial institutions in CRA review.
Payday lending and check cashing are predatory activities and should not receive CRA credit.
Brick and mortar branches provide critical access to low-income people and should be rated highly.
More carefully review subprime lending for predatory activities and not include subprime lending in the same category as prime loans. CRA credit should not be given to mortgage-backed securities that include subprime loans.
The investment test is a critical piece of CRA that we hope will not be eliminated. The purchase of mortgage loans should only be considered under the investment test, not under the lending test.

CRA can continue to be a tool that provides opportunities for low-income communities to become economically vital areas achieving their share of the American dream. We encourage you to strengthened CRA in order to reflect the changes in banking and financial services.

Sincerely,

Ralph Lippman
Executive Director

10/17/2001