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Evans, Sandra E

From: Cynthia Jurosek [crowindianland@yahoo.com]
Sent: Monday, April 05, 2004 7:45 PM
To: regs.comments@occ.treas.gov; regs.comments@federalreserve.gov; comments@fdic.gov;
 regs.comments@ots.treas.gov; jsilver@ncrc.org
Subject: Proposed CRA Regulatory Changes

To:

President George Bush
 Fx: (202) 456-2461

Treasury Secretary Snow
 Fx: (202) 622-6415

Docket No. 04-06
 Communications Division
 Public Information Room, Mailstop 1-5
 Office of the Comptroller of the Currency
 250 E St. NW
 Washington, DC 20219
 Email: regs.comments@occ.treas.gov

Docket No. R-1811
 Ms. Jennifer Johnson
 Secretary
 Board of Governors of the Federal Reserve System
 20th St. and Constitution Ave. NW
 Washington, DC 20551
 Email: regs.comments@federalreserve.gov

Robert E. Feldman
 Executive Secretary
 Attention: Comments
 Federal Deposit Insurance Corporation
 550 17th St. NW
 Washington, DC 20429
 Email: comments@fdic.gov

Regulation Comments, Attention: No. 2004-04
 Chief Counsel's Office
 Office of Thrift Supervision
 Washington, DC 20552
 Email: regs.comments@ots.treas.gov

Dear Officials of Federal Bank and Thrift Agencies:

Recently, it has come to my attention that a number of Republican Members of the House of Representatives of the US Congress sent you a letter requesting you exclude banks with up to one billion dollars in assets from the CRA tests for lending, servicing and investments. It has also come to my attention that certain regulators have, themselves, already proposed that banks with a half billion dollars in assets be excluded from the comprehensive CRA Exam. Please be advised that such changes are unacceptable.

The CRA has thus far been instrumental in increasing access to homeownership, boosting economic development and expanding small business in our nation's minority, immigrant and low-to-moderate income communities. These activities are vital to furthering the stability of these groups of people.

As I understand it, if such proposed CRA Regulatory changes are enacted, \$387 Billion in assets and 1,111 banks would be removed from any obligation to invest, reinvest or make contributions which would further and encourage minority and low-and-moderate income community development. The proposed changes are contrary to and will defeat the true intention of the CRA Statute because they will halt the progress made in community reinvestment in minority and low-and-moderate income communities. As I understand it, proposed changes include three primary elements: 1) Provide streamlined and cursory exams for banks with assets between \$250 and \$500 Million; 2) Establish a weak, predatory lending compliance standard; 3) Expand data collection and reporting for small business and home lending. The first two proposals not only overwhelm, but also mock and discourage the potential benefits of the third. Additionally, in their proposal, federal banking agencies did not update procedures regarding affiliates and assessment areas and thus missed a vital opportunity to continue CRA's effectiveness.

In terms of streamlined and cursory exams, under current regulations, banks with assets of at least \$250 Million are rated by performance evals that scrutinize their level of lending, investing and services to low-and-moderate income communities. The proposed changes will eliminate the investment and service parts of the exam for banks and thrifts with assets between \$250 and \$500 Million. These proposed changes would reduce the need for these banks to be diligent and comply with the rigor of CRA Exams for more than \$300 Billion in assets. All of this is intolerable and unacceptable.

Grave, unnecessary and unacceptable damages for minority, immigrant, low-to-moderate income families and underserved communities would result from such proposed changes. Such communities would, instead, prosper if rigorous, diligent CRA Testing continues. Additionally, such proposed changes will directly undercut President Bush's Administration Policy to encourage minority homeownership and economic development and defeat his goal to create 5.5 million new minority homeowners by the end of the decade.

It is my understanding that proposed changes, if they contain the proposed anti-predatory standard, allow abusive lending, by neglecting to address problems such as packing of fees into mortgage loans, high prepayment penalties, loan flipping and other numerous abuses. Rigorous fair lending audits **are absolutely necessary** in order to ensure fulfillment of the intent of the CRA and maintain minority and low-to-moderate income communities with a reasonable amount of safety and soundness.

There is also a spiritual component here that is vitally important. Those proposing such changes fail to understand the importance of "tithing" and that the CRA Statute is a form of imposed tithing. Tithing is a spiritual law that whether imposed (in the form of a tax or obligation) or comes from the heart, has wonderful, long-range effects. Galatians 6:7: "whatsoever a man soweth, that shall he also reap". Respectfully, all banks that desire such CRA Regulatory changes have failed in their understanding of the importance of tithing to make their own communities strong. "Community" definitions which apply

here: "An interacting population of various kinds of individuals in a common location"; every community in America includes low-to-moderate income people and minorities; such people need vigorous CRA testing and bank compliance.

If regulators enact such proposed changes to the current CRA Regs, the affected banks will, obviously, not continue on with community development investment/lending in the low-to-moderate income and minority communities. Unwittingly, such changes will deprive and deny affected banks the community good will, positive word-of-mouth advertising, positive name recognition, and tithing benefits, which result from CRA Testing and Compliance.

It is highly unlikely that few, if any, religious, spiritual and community development leaders would support the proposed CRA Regulatory changes, if they knew about them and if they had time to present objections. Respectfully, I believe there are literally thousands of such persons and groups who would not only protest such proposed changes, but also take action to get more rigorous, diligent CRA testing requirements enacted.

Please do not enact any changes to the current CRA Regs which would reduce the current rigor level of CRA Testing and Compliance.

Very truly,
Cynthia Jurosek
821 No. 27th St. #248
Billings, MT
Contact Ph: (406) 254-0121

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