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April 14, 2005

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

RE: RIN 3064-AC89

To Whom it May Concern:

The Coalition on Human Needs urges you to enhance your proposed changes to the Community Reinvestment Act (CRA) regulations. Your proposal is an improvement from the one made in the fall. However, we are still concerned that the current proposal might result in fewer bank branches and less community development and investment in the neighborhoods that need it most.

The Coalition on Human Needs is made up of organizations concerned with the needs of low-income people and communities. Our members include faith-based groups; service providers; civil rights organizations; labor; policy experts in areas including nutrition, housing, health, and social services; and advocates for children and senior citizens. We are concerned that the current proposal might reduce the CRA's effectiveness in increasing investments in low-income communities. These communities need financial institutions to continue to lend, make investments, and provide financial services. This is urgently important now, when job creation has been so sluggish and the level of employment is so much lower than it has been historically at this point in an economic recovery.

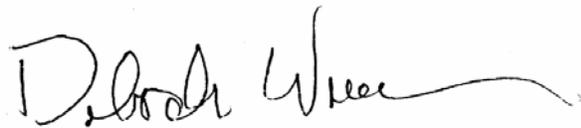
If the regulations now in place are weakened, it will almost certainly become more difficult for low-income families to find convenient, affordable financial services. Under this proposal, mid-sized banks will no longer be subject to a separate test for services, which may result in less access to bank branches and low-cost accounts in low- and moderate-income communities. Low-income families need relief from payday loans and check-cashing fees; this proposal would make things worse. Please add the provision of bank branches in low-income communities as a clear factor on your proposed CRA exams for mid-sized banks.

The Coalition on Human Needs has long been concerned about the large numbers of low-income families who pay too much for housing. One in seven households in the U.S. is paying more than half of its income on housing costs. Solving this problem requires access to lending for those who can manage to purchase a home. It also means investments in low-income rental housing. Under this proposal, mid-sized banks are likely to make fewer investments because investment performance would no longer be measured in a separate test and therefore would be less visible. This could result in less investment in low-income housing and would be contrary to the Bush Administration's commitment to increase home ownership.

We are also concerned about the elimination of public data disclosure requirements regarding community development lending and other types of lending. The only way we can ensure that banks are providing credit for affordable housing and community development is to provide publicly available CRA data.

In a recent analysis by the Coalition on Human Needs, we noted that nearly one-third of all American families have incomes below \$35,000 a year. They need more affordable housing, accessible financial services, community health and child care centers and other community investments to enhance their opportunities to succeed. Many of these families will be hurt by your proposal. We hope you will continue to implement the intentions of Congress embodied in the Community Reinvestment Act to expand lending, investment and financial services in low- and moderate-income communities.

Sincerely yours,

A handwritten signature in black ink, appearing to read "Deborah Weinstein", with a long, sweeping horizontal line extending to the right.

Deborah Weinstein
Executive Director,
Coalition on Human Needs