

To strengthen  
and promote  
cities as centers  
of opportunity,  
leadership, and  
governance.



**National League  
of Cities**

1301 Pennsylvania Ave., N.W.  
Washington, D.C. 20004-1763  
202-626-3000  
Fax: 202-626-3043  
www.nlc.org

**2005 Officers**

*President*  
Anthony A. Williams  
Mayor  
Washington, DC

*First Vice President*  
James C. Hunt  
Councilman  
Clarksburg, West Virginia

*Second Vice President*  
Bart Peterson  
Mayor  
Indianapolis, Indiana

*Immediate Past President*  
John DeStefano, Jr.  
Mayor  
New Haven, Connecticut

*Executive Director*  
Donald J. Borut

**VIA ELECTRONIC MAIL**

May 26, 2005

Robert E. Feldman, Executive Secretary  
Federal Deposit Insurance Corporation  
550 17<sup>th</sup> Street, N.W.  
Washington, D.C. 20429  
ATTN: Comments

RE: RIN 3064-AC89

Dear Mr. Feldman:

On behalf of the nation's municipalities, the National League of Cities (NLC) writes to oppose further regulatory efforts to weaken the Community Reinvestment Act (CRA). NLC believes that the federal government must remain committed to the intent and application of the CRA. NLC supports vigorous enforcement of the CRA that encourages productive investment in our nation's municipalities.

NLC is encouraged by federal regulatory efforts to improve last fall's CRA proposal by the Federal Deposit Insurance Corporation, but serious issues remain:

1. NLC urges federal regulators to maintain the current CRA examination structure that evaluates community development, investments, and services offered by mid-sized banks with assets between \$250 million and \$1 billion ("Mid-Sized Banks") separately. NLC requests that any final regulation maintain a separate test for service provision because this would hold Mid-Sized Banks accountable and reward them for establishing branches and low-cost accounts in low and moderate-income communities.
2. NLC requests federal regulators maintain public data disclosure requirements regarding community development, small business and small farm lending. Without this data, the public and federal regulators will have no way to systematically measure the responsiveness of Mid-Sized Banks to these credit needs necessary to hold them accountable.

**Past Presidents:** Karen Anderson, Mayor, Minnetonka, Minnesota • Clarence E. Anthony, Mayor, South Bay, Florida • William H. Hudnut, III, Mayor, Town of Chevy Chase, Maryland • Sharpe James, Mayor, Newark, New Jersey • Brian J. O'Neill, Councilman, Philadelphia, Pennsylvania • **Directors:** Lorraine Anderson, Councilmember, Arvada, Colorado • Tommy Baker, Alderman, Osceola, Arkansas • Vickie Barnett, Mayor, Farmington Hills, Michigan • Phil Bazemore, Mayor Pro Tem, Monroe, North Carolina • Daniel Beardsley, Jr., Executive Director, Rhode Island League of Cities and Towns • Thomas Bredeweg, Executive Director, Iowa League of Cities • Kenneth Bueche, Executive Director, Colorado Municipal League • Rosemounda Butler, Council Member, West Columbia, South Carolina • Nora Campos, Councilmember, San Jose, California • Roosevelt Coats, Councilman, Cleveland Ohio • Jim Condos, Council Chair, South Burlington, Vermont • Lisa Dooley, Executive Director, West Virginia Municipal League • Clay Ford, Jr., Mayor Pro Tem, Gulf Breeze, Florida • Eddy Ford, Mayor, Farragut, Tennessee • Danny George, Executive Director, Oklahoma Municipal League, Inc. • Matthew Greller, Executive Director, Indiana Association of Cities and Towns • Ken Harward, Executive Director, Association of Idaho Cities • Lester Heitke, Mayor, Willmar, Minnesota • Jim Higdon, Executive Director, Georgia Municipal League • Ruth Hopkins, Councilmember, Prairie Village, Kansas • Ted Jennings, Mayor, Brewton, Alabama • Ronald Loveridge, Mayor, Riverside, California • Joseph Maestas, Councilor, Española, New Mexico • Michael McGlynn, Mayor, Medford, Massachusetts • James Mitchell, Jr., Council Member, Charlotte, North Carolina • Joe Moore, Alderman, Chicago, Illinois • Ed Oakley, Councilmember, Dallas, Texas • Margaret Peterson, Councilmember At Large, West Valley City, Utah • Dottie Reeder, Mayor, Seminole, Florida • Terry Riley, Council Member, Kansas City, Missouri • John Russo, City Attorney, Oakland, California • Ron Schmitt, Councilor, Sparks, Nevada • Liberato Silva, Vice Mayor, Flagstaff, Arizona • Shep Stahel, Mayor Pro Tem, Plano, Texas • Charleta Tavares, Council Member, Columbus, Ohio • Ted Tedesco, Mayor, Ames, Iowa • Dick Traini, Assembly Chairman, Anchorage, Alaska • Jacques Wigginton, Councilmember, Lexington, Kentucky • Evelyn Woodson, Councilor, Columbus, Georgia

Robert E. Feldman, Executive Secretary  
May 5, 2005  
Page Two

3. NLC urges federal regulators to maintain the current CRA requirement that community development and rural areas benefit low and moderate-income areas and distressed communities.

\* \* \*

NLC believes that these recommendations strengthen the CRA's statutory purpose of encouraging financial institutions to serve the needs of underserved people and communities.

Thank you for this opportunity to submit comments on behalf of the nation's municipalities. NLC is the oldest and largest organization representing 49 state municipal leagues and 1,600 direct member cities that together serve more than 18,000 cities across the nation.

Very truly yours,



Donald J. Borut  
Executive Director

cc. National Community Reinvestment Coalition

**Past Presidents:** Karen Anderson, Mayor, Minnetonka, Minnesota • Clarence E. Anthony, Mayor, South Bay, Florida • William H. Hudnut, III, Mayor, Town of Chevy Chase, Maryland • Sharpe James, Mayor, Newark, New Jersey • Brian J. O'Neill, Councilman, Philadelphia, Pennsylvania • **Directors:** Lorraine Anderson, Councilmember, Arvada, Colorado • Tommy Baker, Alderman, Osceola, Arkansas • Vickie Barnett, Mayor, Farmington Hills, Michigan • Phil Bazemore, Mayor Pro Tem, Monroe, North Carolina • Daniel Beardsley, Jr., Executive Director, Rhode Island League of Cities and Towns • Thomas Bredeweg, Executive Director, Iowa League of Cities • Kenneth Bueche, Executive Director, Colorado Municipal League • Rosemounda Butler, Council Member, West Columbia, South Carolina • Nora Campos, Councilmember, San Jose, California • Roosevelt Coats, Councilman, Cleveland Ohio • Jim Condos, Council Chair, South Burlington, Vermont • Lisa Dooley, Executive Director, West Virginia Municipal League • Clay Ford, Jr., Mayor Pro Tem, Gulf Breeze, Florida • Eddy Ford, Mayor, Farragut, Tennessee • Danny George, Executive Director, Oklahoma Municipal League, Inc. • Matthew Greller, Executive Director, Indiana Association of Cities and Towns • Ken Harward, Executive Director, Association of Idaho Cities • Lester Heitke, Mayor, Willmar, Minnesota • Jim Higdon, Executive Director, Georgia Municipal League • Ruth Hopkins, Councilmember, Prairie Village, Kansas • Ted Jennings, Mayor, Brewton, Alabama • Ronald Loveridge, Mayor, Riverside, California • Joseph Maestas, Councilor, Española, New Mexico • Michael McGlynn, Mayor, Medford, Massachusetts • James Mitchell, Jr., Council Member, Charlotte, North Carolina • Joe Moore, Alderman, Chicago, Illinois • Ed Oakley, Councilmember, Dallas, Texas • Margaret Peterson, Councilmember At Large, West Valley City, Utah • Dottie Reeder, Mayor, Seminole, Florida • Terry Riley, Council Member, Kansas City, Missouri • John Russo, City Attorney, Oakland, California • Ron Schmitt, Councilor, Sparks, Nevada • Liberato Silva, Vice Mayor, Flagstaff, Arizona • Shep Stahel, Mayor Pro Tem, Plano, Texas • Charleta Tavares, Council Member, Columbus, Ohio • Ted Tedesco, Mayor, Ames, Iowa • Dick Traini, Assembly Chairman, Anchorage, Alaska • Jacques Wigginton, Councilmember, Lexington, Kentucky • Evelyn Woodson, Councilor, Columbus, Georgia