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**Chautauqua Home Rehabilitation and Improvement Corporation**

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Improving Chautauqua County's Housing Since 1978

October 20, 2004

Mr. Robert E. Feldman, Executive Secretary
Federal Deposit Insurance Corp.
550 17th Street, N.W.
Washington, DC 20429

Re: RIN 3064-AC50/Comments

Dear Mr. Feldman,

Please include this letter for comments on the FDIC's plans to change the rules regarding Community Reinvestment Act requirements on small bank compliance. The proposed plan to expand the definition of what constitutes a small bank will weaken the positive benefits this legislation has accomplished over the years, especially in smaller rural areas of the country like the upstate New York service area we operate in.

Chautauqua Home Rehabilitation and Improvement Corp, CHRIC, is a Rural Preservation Company under the New York State Division of Housing and Community Renewal. We are also a NeighborWorks Organization under the Neighborhood Reinvestment Corporation. We have been actively engaged in restoring neighborhoods and promoting homeownership for 26 years. We work with emerging populations of Hispanics and immigrants, trying to create wealth in lower-income families. We have been the recipients of two Lead Hazard Control grants from HUD and have remediated approximately 500 rental units, watching the number of children being tested for Lead Based Paint poisoning go up while the number of poisoned children go down. We are operating our second HUD Youthbuild grant helping at risk youth attain their GEDs while rehabilitating a vacant home for ownership by a low-income family. We do good work that has real impact on people's lives. We are often assisted through the generosity and good will of our area and regional lenders. That largesse has its origins in the Community Reinvestment Act.

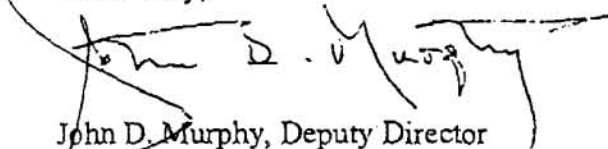
While many large banks see CRA as a means of positive public relations and in fact a way to have a positive impact in their service areas. But based on years of experience in working in low and moderate-income communities, many smaller banks would not involve themselves in making the efforts needed to give attention to more challenged families and neighborhoods they work in. Because of the preponderance of smaller banks in rural areas, those of us serving rural areas would be disproportionately impacted.



I urge the rules to continue to hold banks with assets of \$250 million to be included in the examination process for CRA compliance. It is my personal opinion that CRA has been good business for the lending community, and it has spurred development and growth by allowing community-based organizations to grow and build capacity in the very neighborhood investment is needed most.

I urge you to withdraw the proposal.

Yours truly,

A handwritten signature in black ink, appearing to read "John D. Murphy". The signature is written in a cursive style and is positioned above the typed name.

John D. Murphy, Deputy Director
Chautauqua Home Rehabilitation and Improvement Corp.