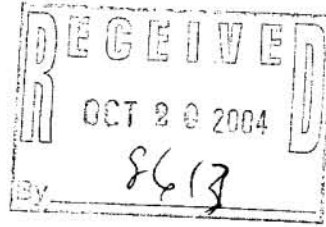


Greater Houston Fair Housing Center

October 19, 2004

Mr. Robert E. Feldman
Executive Secretary
Attention: Comments/Legal ESS
Federal Deposit Insurance Corporation
550 17th St. NW



Washington, DC 20429

RE: RIN 3064-AC50

Dear Mr. Feldman:

Our agency, the Greater Houston Fair Housing Center, is a fair housing agency concerned with housing issues including community development in low and moderate-income areas. Our organization opposes any weakening of the Community Reinvestment Act (CRA) requirements for mid-sized banks. CRA is vital for increasing homeownership and economic development in lower-income communities. However, your proposed changes will halt the progress that has been made.

We understand that banks with over \$250 million in assets must be tested on their number of loans, investments, and services to low and moderate-income communities. The current FDIC proposal would eliminate the investment and service requirements for all banks with under \$1 billion in assets. This will result in significantly fewer loans and investments in affordable rental housing, health clinics, community centers, and economic development projects.

In the significantly weaker exam, the FDIC would allow mid-sized banks to choose which community development activities they will undertake. Right now, these same banks must make community development loans, investments, and services. The proposed test allows banks to choose only one of the three activities. In reality, the result will be less community development activity.

The FDIC also proposes that community development activities in rural areas should benefit any group of individuals instead of only low and moderate-income individuals. This would allow banks to potentially select and focus on affluent residents of rural areas rather than the lower income consumers. The proposed changes would also eliminate publicly available data on the small business lending of mid-sized banks. This is absurd. How can community groups and citizens hold banks accountable for lending to small businesses in their neighborhoods?

The proposed changes are in direct opposition to CRA's mandate that require lenders to meet community needs. CRA is too important to be radically altered. Please drop this proposal that would cause unnecessary harm to underserved communities by the proposed changes.

Sincerely,


Daniel Bustamante, Executive Director

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