

NALCAB



National Association for Latino
Community Asset Builders

October 15, 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:

The National Association for Latino Community Asset Builders wishes to go on record as being strongly opposed to watering down the Community Reinvestment Act requirements for mid-sized banks. CRA is a proven tool for increasing Latino homeownership and economic development in our communities. The proposed changes will halt the impressive progress that has been made by CRA and cripple revitalization efforts in America's neediest communities--which are often Latino and African-American neighborhoods.

The lack of access to capital in Latino and African-American communities is well-documented. The burdens of unemployment and underemployment represent huge obstacles for Latinos and other minorities struggling to achieve the American dream. CRA has been vital to revitalization and economic development efforts in these areas.

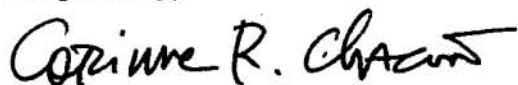
Your proposal would eliminate the investment and service requirements for all banks with under \$1 billion in assets. This will result in significantly fewer loans and investments in affordable rental housing, health clinics, community centers, and economic development projects. It is Latino and African American women, children, and elders that will be most impacted if these changes are implemented. The result will be less community development activity, fewer options for working families, less support for children. This is a far cry from the FDIC's original mandate of protecting American families.

The FDIC is also proposing that community development activities in rural areas should benefit any group of individuals rather than only low- and moderate-income individuals. This action will allow banks to cherry-pick and focus on affluent residents of rural areas rather than the lower income consumers CRA targets. Affluent residents of these areas are quite fortunate that they don't need the CRA--but other Americans do.

Finally, your proposal would eliminate publicly available data on the small business lending of mid-sized banks. Without data, community groups and citizens cannot hold banks accountable for lending to small businesses in their neighborhoods. Yet, it is a proven fact that small businesses not only create most of the new jobs in the country, they also are an important rung on the economic ladder for minorities.

These proposed changes directly oppose CRA's mandate to require lenders to meet community needs. CRA is too important to be gutted. Please drop your proposal like the two other federal agencies that recognized its harm to underserved communities, to the country's most vulnerable citizens--and to the American economy, at large, which is currently struggling with a runaway deficit that threatens the future of working families and small businesses.

Respectfully,

A handwritten signature in black ink that reads "Corinne R. Chacón". The signature is written in a cursive, flowing style.

Corinne R. Chacón
Program Manager
National Association for
Latino Community Asset Builders

cc:
California Community Reinvestment Coalition
NCRC