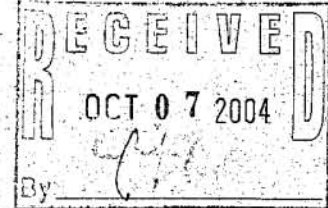


# **Katikitigon Community Development Corporation**

*A Non-Profit Corporation*

Incorporated 2002



September 22, 2004

Mr. Robert E. Feldman  
Executive Secretary,  
Attention: Comments/Legal ESS  
Federal Deposit Insurance Corporation  
550 17<sup>th</sup> Street, NW  
Washington, D.C. 20429

RE: Proposed revisions to 12 CFR 345/ Community Reinvestment Act (CRA)

Dear Sir:

We are a small Community Development Corporation that serves the Lac Vieux Desert Reservation in a rural area of the western Upper Peninsula of Michigan. This organization was established by tribal members to help promote economic development on or near the Reservation and to assist Tribal social welfare programs in delivering services to the local population, both Tribal and non-tribal. The majority of our target population is low to moderate income. Because the area is primarily dependent on tourism and recreation, employment tends to be seasonal. Our Reservation employment rate for 2004 has been certified by the State of Michigan to be 23%.

The population we serve does not have, in general, a strong history with traditional banks or financial institutions. Poor credit ratings and lack of understanding of bank policies or procedures have prevented use of loan products offered by local rural banks.

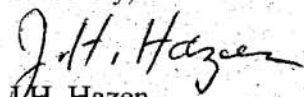
The Katikitegon CDC was established, in part, to try to remedy this situation. The CDC has made an application to be certified as a Community Development Financial Institution (CDFI). The CDC, as a CDFI, could provide to individuals who qualify the resources needed to use properly the services of a traditional bank or lending institution.

The proposed change to the CRA, specifically the definition of "small bank", would effectively eliminate our work over the past two (2) years to nurture partnerships with

local rural banks, by removing incentives for them, the banks, to be involved with a rural CDC like us.

We urge you to drop this effort as it will destroy a promising avenue for much needed economic development in this area populated by an under-served people.

Sincerely,

A handwritten signature in cursive script that reads "J.H. Hazen".

J.H. Hazen

President, Board of Directors  
Katikitegon CDC