August 30, 2010

To: Office of the Comptroller of the Currency
Docket ID OCC–2010–0011
regs.comments@occ.treas.gov

To: Federal Deposit Insurance Corp.
RIN 3064–AD60
comments@FDIC.gov

To: Federal Reserve System
Docket No. R–1386
regs.comments@federalreserve.gov

To: Office of Thrift Supervision
ID OTS–2010–0019
regs.comments@ots.treas.gov

Re: COMMUNITY REINVESTMENT ACT REGULATION HEARINGS

Housing First! is a non-profit education and advocacy alliance of several hundred organizations in New York City and New York State united by their dedication to advocating, developing and sustaining affordable housing for all New Yorkers. Our members include non-profit and for-profit affordable housing developers, supportive housing providers, community-based development organizations, financial institutions and intermediaries.

Since its enactment, CRA has provided a powerful incentive for private-sector participation in the stabilization and revitalization of New York's low- and moderate-income communities.

Since 2004, New York City and State affordable housing programs have grown their combined statewide capacity to the production and preservation of some 49,900 units annually. In partnership with $1.2 billion in public funds, operating at that level will create annual demand for some $3.0 billion in private financing.

Consequently, Housing First! must go on record in support of giving community development activities greater weight in evaluating a bank's CRA performance.

Among community development activities, we include:

- all forms of participation, including loans, investments, credit enhancements, letters of credit, services, grants and other support for nonprofit and public partners, and nonfinancial activities geared to community development such as advice to nonprofit and public community development entities
- multifamily rental housing
- single-family home construction and rehabilitation
- retail and other commercial real estate such as grocery stores and business facilities that revitalize neighborhoods and rural areas
- community service facilities such as health clinics, charter schools and child care centers
- community loan funds and micro-finance loan funds
- support for non-profit organizations such as CDFIs, CDCs and housing development fund

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corporations that engage directly in community development activities

- support for non-profit organizations that provide technical assistance, research, communications or other support to those directly engaged in community development activities
- efforts to build effective partnerships between banks, state and local governments, and nonprofit community development organizations
- neighborhood stabilization activities
- activities that have an explicit purpose of stabilizing physically-distressed, low- and moderate-income multi-family housing

We further recommend:

- the development and use of both quantitative and qualitative measures of production and process to evaluate community development activities
- additional training and authority for examiners who determine CRA ratings
- regular adjustments in examination procedures as markets and the industry evolve and as lessons are learned about which tests do or do not work well
- adoption of procedures which assure that CRA serves all low- and moderate- income communities – urban, suburban and rural regardless of size
- for an Outstanding rating, consideration of such factors as:
  >> a local needs assessment with community input
  >> evidence of innovative products and services
  >> demonstrated staff capacity to structure innovative deals
  >> support for separate, specialized lending units.
  >> community development leadership and best practices

Thank you for the opportunity to comment.

Yours truly,

David M. Muchnick
Coordinator, Housing First!