August 16, 2010

Regulation Comments, Chief Counsel's Office,
Office of Thrift Supervision,
1700 G Street, NW.,
Washington, DC 20552
Docket ID OCC-2010-0011, R-1386, RIN 3064-AD60, OTS-2010-0019

Dear Chief Counsel,

The following are the comments of the Mission Economic Development Agency regarding the hearings to review aspects of Community Reinvestment Act (CRA) regulations and how the federal regulatory agencies should revise them to better serve the goals of CRA and the needs of under-served communities. These revisions are particularly important because an improved commitment by banks to low-income neighborhoods and communities of color will enhance economic opportunities and prosperity in these communities.

Mission Economic Development Agency (MEDA) is a community-based, local economic development organization which, for over 36 years, has engaged individuals and small business in community-building strategies. Our mission is to achieve economic justice for San Francisco's low and moderate income Latino families through asset development.

The Community Reinvestment Act has promoted fair and equitable access to financial services for more than three decades. In this last decade, the CRA played a positive role in the mortgage market, where CRA protected many households from the foreclosure crises by requiring safe and sound lending. However, many households were not protected and many small businesses still find it difficult to access credit. There are specific amendments to the CRA that will need to be adopted to improve its implementation and outcomes.

The regulatory agencies need to look carefully at the following key issues in concert with the CRA Hearings:

- Geographic Coverage: CRA activity should include geographies where a bank does significant lending, investment and deposit that are outside branch locations. Banks should be held responsible for CRA activity in non-metropolitan and rural areas.
- CRA Performance: Bank products should fit the needs of low-income people and people of color. Bank activity should exist proportionally within low-income neighborhoods and neighborhoods of color as it does in other communities.
- Affiliate Activities: All components of the financial corporation should be examined by the regulatory agencies for their CRA activity.
- Small Business Data: CRA examinations should compare overall small business lending to the proportion of lending to small, women-owned and minority owned businesses in low-income neighborhoods as well as the overall amount of lending.
- Access to Banking Services: The products that work best for low-income customers should not have high cost fees.

The Mission Economic Development Agency looks forward to the implementation of these revisions to the regulations this year.

Sincerely,

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