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Since I was unable to attend the August 12th hearing in Chicago due to a pre-scheduled family vacation, I am submitting these written comments based on my 36 years of community development. While I am sure my colleagues during their verbal testimony covered many of the specific improvements that should be implemented through regulatory rulemaking to strengthen the Community Reinvestment Act (CRA), I offer you these broader reflections from my professional career.

My experiences go back to working for 11 years with Gale Cincotta, the mother of CRA. We should remember that CRA and the Home Mortgage Disclosure Act (HMDA) were necessary because the federal government itself had become complicit with redlining by allowing FHA loans to be abused by predatory brokers.

As CEO of the Chicago Association of Neighborhood Development Organizations [CANDO], my career next involved rebuilding Chicago communities through CRA partnerships with Chicago banks. These 17 years marked a time when CRA better encouraged public, private and non-profit sectors to actively work together to invest in communities.

Today with over 8 years as the CEO of the Local Economic & Employment Development [LEED] Council in Chicago, I see individuals every day who are striving to improve their skills and find a job in our troubled economy. I work with local businesses which are waiting for orders to start up so they can once again hire. I can envision an emerging green economy if there was capital available to grow it.

Meaningful reforms to CRA will ensure an economic recovery that promotes sustainable lending to small businesses for job creation and responsible lending for affordable housing. In particular, I would encourage reforms to address the following:
•Broaden Assessment Areas for CRA Exams
•Mandatory Inclusion of Mortgage Company Affiliates on CRA Exams •Include Bank Lending and Service to Minorities on CRA Exams •Improve CRA Exam Ratings and Weights •Augment CRA Enforcement Mechanisms •Enhance Data Collection to Include the Race and Gender of the Small Business Borrower

Having served a three-year term as a member of the Federal Reserve Board’s Consumer Advisory Council (CAC) in the late ‘90s, I can only ponder today the missed opportunities that the Fed squandered to stop predatory lending early and to actively promote small business lending. Congressional legislation was not necessary then if there had been a willingness to use regulatory authority. While I applaud your intentions now to improve CRA, regulatory action alone is no longer sufficient. Congress must act to apply CRA broadly throughout the financial industry in order to maximize community investment with safe and sound lending.

In closing, let me observe that the demise of Shorebank was not the end result of their lending to low- and moderate-income communities, but resulted from the non-regulation of the greed of a few who crashed our economy resulting in the high unemployment that continues to haunt America's communities. As the current chairman of the National Community Reinvestment Coalition, I exhort us all that our next move is to demand and deliver the economic justice that is the heart and soul of our country by strengthening the Community Reinvestment Act.

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