

From: "Lorna Bourg" <smha@southernmutualhelp.org> on 04/05/2004 04:40:27 PM
Subject: Regulation BB - Community Reinvestment Act

RURAL COMMUNITIES
3602 Old Jeanerette Road
New Iberia, LA 70563

April 4th,
2004

Docket No. R-1181

Jennifer J. Johnson

Secretary

Board of Governors of the Federal Reserve System

20th Street and Constitution, NW

Washington D.C. 20551

Dear Ms. Johnson:

We are writing against the proposed change to rules governing the Community Reinvestment Act (CRA). In particular, we are opposed to changing the definition of a “small bank” from a bank with assets of 250 million dollars to a bank having assets of 500 million dollars. The proposed rule would adversely impact the rural communities in which we work by removing incentives for local, community banks to invest in the future prosperity and health of the communities that they serve.

Instead, we urge you to maintain the current “small bank” definition so that local, smaller banks are provided with the same incentives for community investment as larger banks. This is especially important for rural communities, since many larger national banks do not serve, and do not invest, in rural areas. In addition, we encourage federal bank and thrift agencies to institute a comprehensive predatory lending policy to protect the assets of all families, whether rural or urban. Banks should be provided with a disincentive to engage in predatory practices by insuring that abusive lending count against an institution’s CRA rating.

Sincerely,

Lorna Bourg

Executive Director