

May 19, 2006
Office of Thrift Supervision
1700 G Street, NW
Washington, DC 20552
Re: Docket No. 2006-17

The National Association of Affordable Housing Lenders (NAAHL) represents America's leaders in moving private capital to those in need – 200 organizations committed to increasing private capital lending and investing in low-and moderate-income (LMI) communities. Members are the “who's who” of private sector lenders and investors in affordable housing and community development: banks, thrifts, local and national nonprofits, mortgage companies, loan consortia, financial intermediaries, pension funds, and foundations.

We appreciate the opportunity to submit comments on the agency's notice of April 12, 2006, which would revise OTS guidance relating to the Community Reinvestment Act (CRA).

CRA has been vital to building emerging markets nationwide. Lending and equity investing in underserved communities have already spurred economic growth and demand, thereby increasing opportunities to make more loans and sell more services.

The rule codifies OTS' announcement that all thrifts will get favorable CRA consideration for Katrina relief, recovery efforts, and rebuilding if they are satisfactory or above in assessment areas. NAAHL members appreciate the fact that each of the four agencies that regulate insured institutions have been flexible and supportive in their responses to this unprecedented disaster. We also support regularizing the definition of community development with that of the OCC, FDIC, and the Federal Reserve. However, we remain disappointed that the OTS has not yet regularized its CRA rules with the other three agencies.

The FDIC, the OCC, and the Federal Reserve have jointly issued a rule that expanded the definition of community development, but also: 1) requires banks with between \$250 million and \$1 billion in assets to support their communities through meaningful services and community development loans and investments; 2) reinforces the fact that some lending practices can count against an institution in a CRA exam. The joint rule allows banks more leeway in fulfilling CRA requirements and ensures that LMI individuals and communities continue to be well served by the banks that operate in their area.

We urge the OTS to join the other three agencies in their joint rule.

If we can answer any questions or provide additional assistance regarding our comments, please do not hesitate to contact us.

Sincerely,

Judy Kennedy
President and CEO