



Goals
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Is any of this possible?
Re

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October 28, 1999

The Honorable William Jefferson Clinton
President of the United States of America
The White House
Washington, D.C. 20500

10-28-99

Dear President Clinton:

I pressed hard for a Financial Services Modernization bill that took a strong stand on the Community Reinvestment Act (CRA). When it became clear that the final bill would assure that CRA remains vital and relevant in the new financial landscape, I was quick to praise it and I still do.

However, when I look at some of the finer details of the bill, I believe that changes are still needed to address the ominous language of the "sunshine" provisions. While I support the notion that community organizations should be held accountable, I believe the detailed reporting language will cast a pall over CRA by local community groups. Additionally, I am concerned that the real reason for these provisions is to collect the necessary data for future attacks on CRA. These provisions implicitly support the premise that community groups are engaged in extortion and fraud regarding CRA. These reporting and penalties will have a chilling effect on groups' efforts to highlight weaknesses in bank performance as well as their efforts to forge partnerships with lenders.

I believe that in addition to the significant changes already made, two modest additional changes are necessary to restore equilibrium to CRA. These changes would in no way adversely affect the bill; and they should be supported by the banking industry.

First, under the CRA Sunshine Requirements, I would like to see the proposed new Sec. 48 (c)(3) of the FDI Act eliminate the information requested under these reporting requirements is too



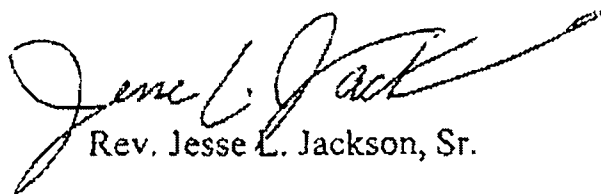
highly detailed and burdensome, particularly for small community groups who do not maintain information in this format.

Second, efforts were made in the legislative drafting to narrow the scope of activity defined as a "CRA agreement," limiting it to activity relating to bank applications and examinations. I believe that the proposed new Sec. 48 (e)(1)(B)(ii) should eliminate references to individuals and organizations that have "discussed or otherwise contacted the institution" concerning CRA. These phrases cast an extremely broad net and would cover situations where a bank – even one with no application pending or a scheduled CRA exam – approached a community group about establishing a partnership that might be counted as part of its CRA record. Without a change, community groups will rightly fear that even the slightest criticism of bank performance will ensnare them in a federal regulatory review.

Lastly, I understand that several privacy groups are unhappy with the bill. While some progress has been made, more needs to be done.

We are in the final throes of this process, and I need your support for these changes to the bill. I believe that with these adjustments we can create a stronger piece of legislation that serves both the financial industry and their local community partners.

Sincerely,



Rev. Jesse L. Jackson, Sr.