



FIRST FEDERAL

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October 9, 2001

Regulation Comments
Chief Counsel's Office
Office of Thrift Supervision
1700 G Street, NW
Washington DC 20552

Re: Docket No. 2001-49
Public Comments on CRA

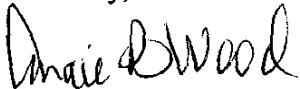
To Whom It May Concern:

- The regulations provide too little consideration for the "smaller" projects that may be very difficult to carry out, but are especially meaningful and responsive to the institution's community. Emphasis should not be on the number and dollar amount of qualified investments and community development loans, but instead on the responsiveness to the needs of the community.
- Consideration should be given to financial institutions that have high loan to deposit ratios. It is difficult for a thrift institution whose primary business strategy is to invest deposits in long-term mortgage loans to meet the requirements for qualified investments.
- The requirements for community development loans are unreasonable. It is very difficult for institutions in smaller communities to originate community development loans on non-residential real estate secured property that are over 1 million dollars. The definition of a community development loan should be revised to include any dollar amount, not just those over 1 million dollars. If the purpose is community development, the dollar amount should be irrelevant.



- An interim construction loan to a for-profit entity secured by residential real estate without a primary purpose consistent with the definition of community development should be collected as a small business loan. A contractor who utilizes an interim construction loan to build a spec home is "in the business" of building homes and is thus spurring the economy. As it stands now, these types of loans are not reportable at all.
- Institutions should be compared to institutions of approximately the same size. It is unfair to compare a \$375 million dollar institution to multi-billion dollar institutions. The threshold for small institutions should be increased from \$250 million to at least \$500 million, possibly even 1 billion.

Sincerely,



Angie B. Wood
Asst. Vice President/CRA Officer