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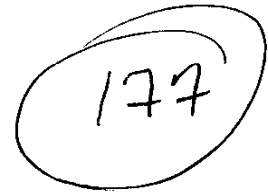
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EL PASO COUNTY



October 16, 2001

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

Attention: Docket No. 2001-49

To whom it may Concern:

Small business plays a critical role in developing a sustainable economic base. In 1996, 98.8% of Texas's 368,663 businesses were small businesses "defined by less than 500 employees" and, between 1994-1996 all of the net new jobs in the state came from growth in the small business sector, with the largest numbers of jobs being created by businesses that employed between one and four employees. Without a doubt, across the state of Texas, small businesses function as the primary job creator.

In El Paso, we have lost more than 15,000 jobs as a result of NAFTA dislocations. In the garment industry alone, we have certified 13,246 as displaced jobs lost. Clearly, any strategy to build good, high paying jobs will depend on rapid expansion of the small business sector. In fact, our employment zone strategy at the federal level, and tax credit strategy at the state level depend very heavily on the creation of new jobs by small business.

A thriving small business sector is not only a primary source of employment, but also generates wealth, expands the tax base, encourages economic mobility, incubates industrial innovation and creates natural links to other sectors of the economy. Yet, in my visits across the many neighborhoods and business corridors of our community, I find the main barrier to expansion of small business is access to capital.

The Community Reinvestment Act as it has been applied in El Paso has not helped small businesses to access the capital that they need to expand. Part of what is lacking is the information that would help a community assess whether or not its credit needs are being met. More information needs to be provided by the banks to help communities and examiners assess not only the levels of lending, but also the types of lending. Loan to deposit ratios should be

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included for each assessment area. The reporting of small business loans should require the same level of detail as the HMDA data, including the number of applications received and the number of applications denied. Also, the number of loans made prime and at subprime should be reported. If credit cards are to be included as loans to small businesses, they should be reported in a separate loan category.

Access to capital is impareitive for small businesses. As many communities have learned, a sustatined focus on access to capital pays rich dividends.

Very truly yours,

Eliot Shapleigh
Eliot Shapleigh

ES/nd

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