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October 16, 2001

Ms. Jennifer J. Johnson
Secretary
Board of Governors of the Federal
  Reserve System
Corporation
20th Street and Constitution Avenue, NW
Washington, D.C. 20551
Attn: Docket No. R-1112
Via e-mail to: regs.comments@occ.treas.gov

Mr. Robert E. Feldman
Executive Secretary
Attn: Comments/OES
Federal Deposit Insurance
550 17th St. NW
Washington, D.C. 20429
Via Facsimile (202) 898-3838

Docket No. 01-16
Communications Division
Public Information Room
Mailstop 1-5
Office of the Comptroller of Currency
250 E. St. SW
Washington, D.C. 20219
Via Facsimile (202) 874-4448

Regulation Comments
Chief Counsel's Office
Office of Thrift Supervision
1700 G. St. NW
Washington, D.C. 20552
Attn: Docket No. 2001-49
Via Facsimile (202) 906-6518

RE: Advance Notice of Proposed Rulemaking Regarding
       Community Reinvestment Act Regulations

Dear Officials of Federal Banking Agencies:

        This letter is in response to the solicitation for public comments in your advance notice of proposed rulemaking (ANPR) published in the Federal Register , Vol. 66, No.139, July 19, 2001, regarding the Community Reinvestment Act (CRA) regulations.
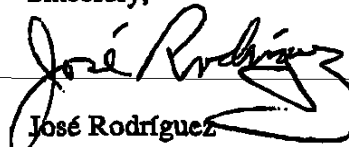
General Information

As legal advisor for the County of El Paso and the El Paso County Hospital District, the County Attorney advises both governmental entities regarding the selection of bank depositories, taking into account factors which include compliance with the CRA. In my opinion, the major banking institutions in El Paso are not "meeting the credit needs of the local communities in which they are chartered". While the most recent examinations under current CRA regulations confer on our four major banks either an "outstanding" or "satisfactory" rating, their credit history in this community demonstrates that more stringent CRA criteria with realistic comparative measures would render their performance unsatisfactory. This conclusion is compelled by a review of the City of El Paso's data submitted with its comments on the ANPR and those submitted by the National Community Reinvestment Coalition (NCRC). How can our four major banks receive passing grades when the City's data show it ranks at the bottom on loans and deposits compared to other cities in Texas? I wholeheartedly support the comments and recommendations of the City and NCRC and in particular wish to emphasize the need for reevaluation of the CRA rules with regard to the lending test for large retail institutions.

ANPR 1.A Large Retail Institutions: Lending Test

The lending test currently *does not* effectively assess a *national* institution's record of helping to meet the credit needs of its entire community. By evaluating a national institution's lending performance on the basis of loan activity on a state-wide basis, the CRA regulations limit a community's ability to determine, on a more valid basis, the local lending performance of large banks like Chase, Wells Fargo, and State National which account for approximately ninety (90) percent of the loans in El Paso. As suggested by the City, the regulations should: a.) define assessment areas for large institutions as Metropolitan Statistical Areas in which significant loan and deposit business is conducted b.) establish a rating within each assessment area, c.) require agency evaluation of an institution's lending activity in a community in comparison to other communities in similar assessment areas, and d.) require the reporting of loan-to-deposit ratio information for the local assessment areas instead of for the entire state. In this way, national institutions can be held accountable for meeting one of the CRA's primary goals: actual performance, rather than process, in addressing CRA responsibilities.

Thank you for the opportunity to submit comments. If you have any questions or need additional information, please let me know.

Sincerely,

José Rodríguez
El Paso County Attorney