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**KING COUNTY
HOUSING AUTHORITY**

January 23, 2007

Office of Thrift Supervision
1700 G Street, NW
Washington, DC 20552
Re: Docket No. 2006-44

To Whom It May Concern:

The King County Housing Authority provides quality, affordable housing opportunities for over 16,000 households in Washington State. We appreciate the opportunity to submit comments on Docket No. 2006-44, which proposes to align the Office of Thrift Supervisions' Community Reinvestment Act regulations with those of the Office of the Comptroller of the Currency (OCC), the Federal Reserve, and the Federal Deposit Insurance Corporation (FDIC). We strongly support the implementation of the proposed rule.

The King County Housing Authority greatly relies upon Low Income Housing Tax Credits (LIHTC) to fulfill its mission. It is our understanding that without the proposed Notice lending institutions may be less likely to invest in LIHTCs, the principal financial tool used in developing and preserving affordable housing.

Specifically, we encourage the OTS to:

- **Eliminate the ability of large thrifts to assign alternative weights to lending, investments, and service components of the CRA examination.** Should large thrifts be evaluated under the three-part CRA exam, communities would be able to better assess how well local housing and development needs are being met.
- **Implement the proposal to hold mid-sized thrifts to the same CRA standards as mid-sized banks.** By scoring thrifts with assets between \$250 million and \$1 billion using both a lending and community development test, mid-sized thrifts will be more responsible for making investments that support low and moderate income communities.

- **Eliminate the section of the proposal that would adjust the asset threshold based on the Consumer Price Index for small and intermediate small thrifts.** Overtime, this proposal would exempt large financial institutions from the three-part CRA exam, and mid-sized institutions from the community development test.
- **Penalize thrifts engaged in predatory lending or other abusive or discriminatory practices.** Thrifts should be held accountable for these practices under their CRA evaluation.

Thank you for your time reviewing our comments. If you have any questions please do not hesitate to contact me at (206) 574-1155.

Sincerely,

Megan Hyla
Director of Policy

cc: Jeff Falcusan, National Association of Housing and Redevelopment Officials