

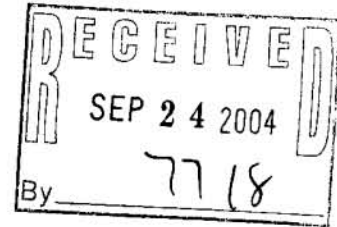


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September 15, 2004



Mr. Robert E. Feldman
Executive Secretary
Attention: Comments/Legal ESS
FDIC
550 17th Street, NW
Washington, DC 20429

Dear Mr. Feldman:

My name is Scott Andrews. I am an attorney and I work as a trust officer for First Bank and Trust Co. in Ardmore, Oklahoma. We have branches in Duncan, Healdton, Ardmore, and Norman, Oklahoma. We are a \$250 million bank. I am writing to strongly support the FDIC's proposal to raise the threshold for the streamlined small bank CRA exam to \$1 billion without regard to the size of the bank's holding company. This would greatly relieve the regulatory burden imposed on many small banks such as ours under the current regulation. I understand this is not an exemption from CRA and that my bank would still have to help meet the credit needs of our entire communities and be evaluated by regulators. However, I believe that this would lower our current regulatory burden immensely.

I also support the addition of a community development criterion to the small bank exam for larger community banks. It appears to be a significant improvement over the investment test. However, I urge the FDIC to adopt its original \$500 million threshold for small banks without a CD criterion and only apply the new CD criterion to community banks greater than \$500 million up to \$1 billion. Banks under \$500 million now hold about the same percentage of overall industry assets as community banks under \$250 million did a decade ago when the revised CRA regs were adopted. Thus, this adjustment is appropriate. As FDIC examiners know, it has proven extremely difficult for small banks, especially those in rural areas, to find appropriate CRA qualified investments in those small, rural communities. Many small banks have had to make regional or statewide investments that are extremely unlikely to ever benefit the banks' own communities. That could not have been the intent of Congress when it enacted CRA.

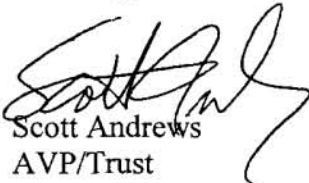
Another reason to support the FDIC's CD criterion is that it significantly reduces the current reg's "cliff effect". Today, when a small bank goes over \$250 million, it must completely reorganize its CRA program and begin a massive new reporting, monitoring and investment program sometimes as much as two years in advance. If the FDIC adopts its proposal, a state nonmember bank would move from the small bank examination to an expanded but still streamlined small bank exam, with the flexibility to mix Community Development loans, services and investments to meet the new CD criterion. This would

be far more appropriate to the size of the bank and far better than subjecting the community bank to the same exam that applies to \$1 trillion banks. This more graduated transition to the large bank examination is a significant improvement over the current regulation.

I strongly oppose making the CD criterion a separate test from the bank's overall CRA evaluation. For a community bank, CD lending is not significantly different from the provision of credit to the entire community. The current small bank test considers the institution's overall lending in its community. The addition of a category of CD lending (and services to aid lending and investments as a substitute for lending) fits well within the concept of serving the whole community. A separate test would create an additional CD obligation and regulatory burden that would erode the benefit of the streamlined exam.

In conclusion, I believe that the FDIC has proposed a major improvement in the CRA regs, one that much more closely aligns the regs with the CRA Act itself. I urge the FDIC to adopt its proposal with the recommendations above. I will be happy to discuss these issues further with you if desired.

Sincerely,


Scott Andrews
AVP/Trust

Xc: CRA file