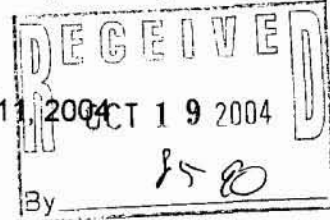




York Area Development Corporation

118 North George Street • Suite 200 • York, Pennsylvania 17401
(717) 846-5139

October 11, 2004



Mr. Robert E. Feldman
Executive Secretary
Attn: Comments/Legal ISS
Federal Deposit Insurance Corp.
550 17th Street, NW
Washington, DC 20429-9990

Re: RIN 3064-AC50

Dear Gentlemen:

I am writing to express my concerns about the proposal to increase the definition of a small bank from \$250 million to \$1 billion.

Our organization, York Area Development Corporation, is a small community based non-profit agency that develops, owns and manages housing for low income and special needs persons. Several of our development are located in rural areas, while others are in the inner city and some in suburban neighborhoods. We work extensively with government agencies and with private lenders to finance our developments. Since our focus is low income housing, it is critical that we receive the financial support and cooperation from banks for us to carry out our mission. A strong motivating influence for banks to work with us has been the Community Reinvestment Act.

My concern with the proposed changes in regulations regarding this issue is that the banks will become less motivated to work with groups such as our to help us carry out our mission of providing adequate, decent and affordable housing for low income, homeless, and special needs persons. Our efforts are not always well received by the public and by lenders because low income housing is often perceived as high risk and negative to the economic and social well being of neighborhoods in which such housing is located.

Making the change you are proposing will exempt more than Ninety percent (90%) of the rural and small banks you regulate from the three-part exam. Also, we urge you to provide CRA credit for activities which do not benefit low and moderate income people and places. These changes would be a serious blow to lending, investments and services to low income and rural areas.

Sincerely,

Thomas M. Foust
Executive Director

TMF:bck

A private, community based, non-profit corporation