



October 12, 2004

Mr. Robert E. Feldman, Executive Secretary  
Attention: Comments/Legal ESS  
Federal Deposit Insurance Corporation  
550 17<sup>th</sup> Street, N.W.  
Washington, D.C. 20429

Re: RIN 3064-AC50  
Community Reinvestment Act (CRA)

Dear Mr. Feldman:

I am writing on behalf of the Old Point National Bank to comment on the FDIC's proposed changes to its CRA regulation. We support the FDIC's proposal to raise the definition of "small bank" for purposes of determining those banks eligible for the streamlined examination standards, from \$250 million in assets to \$1 billion in assets, regardless of holding company affiliation.

Old Point National Bank is a community bank with assets of approximately \$680 million with 17 branches serving the Hampton Roads area. By our very nature, we lend to all segments of the communities we serve. CRA loans and services are an important part of our business. Raising the threshold to \$1 billion will not reduce our CRA efforts; it will reduce unnecessary and costly compliance burdens on our institution. We are under enormous regulatory strain with new requirements such as the USA Patriot Act and the Sarbanes Oxley Act. We simply do not have the resources available to address compliance that the large banks have. CRA is an area where the FDIC should reduce the burden on small banks. Hopefully other regulatory agencies will pursue a similar approach.

One area of particular concern to Old Point National Bank is the investment test - we simply do not have the opportunity for qualified investments that the large banks do - we are at a competitive disadvantage. The large bank test with its investment component simply does not work for community banks.

In closing, we commend the FDIC for pursuing this course of action. Old Point National Bank supports the proposed changes to reduce unnecessary administrative requirements for community banks. This action will allow communities banks to compete more effectively in the marketplace.

Sincerely,

Robert F. Shuford  
Chairman of the Board

Louis G. Morris  
President & CEO

Margaret P. Causby  
Ex. Vice President & CRA Officer