

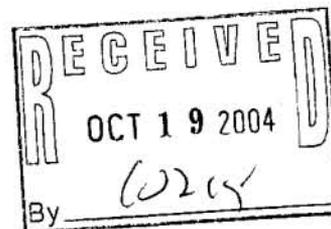


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Mr. Robert E. Feldman, Executive Secretary  
ATTN: Comments/Legal ESS  
Federal Deposit Insurance Corporation  
550 17<sup>th</sup> Street, NW  
Washington, DC 20429



October 12, 2004

Dear Sir:

This letter is in regards to RIN # 3064-AC50, the proposal to raise the CRA small institution test for banks from \$250 million to \$1 billion. I believe the increase in threshold size is appropriate in this day and age of so many bank acquisitions and consolidations. However, I am not in favor of the portion of the proposal that that would disregard affiliation to a holding company. I think that the threshold level of \$1 billion should be for either a stand-alone institution or the consolidated assets of a holding company and it's affiliated banks.

In today's economic situation, I feel that most banks and holding companies that are under \$1 billion in assets should be considered as "community banks", and as such would not be able to continue to be successful in business, unless they are working closely with and taking care of the financial needs of the local customers that are covered by the CRA rules and regulations.

I would also like to comment on one of the FFIEC interpretations regarding the use of gross annual revenues for determining a small farm or business loan. In the original Q & A, in question # 4 it is stated that "an institution should rely on the revenues that it considered in making its credit decision". My feelings are that if we have gathered the income information on a borrower, we should be able to report the borrower as a small farm or business, even if the actual credit decision has been made on some other basis, such as use of a CD or some readily marketable securities for collateral. This should not negate the institution from counting such a borrower as a small farm or small business borrower for CRA purposes, since percentages of such loaned to vs. number of such customers in the local area is one of the lending test considerations.

Thank you for letting me express my opinion.

Sincerely,

Richard Kramer  
Herington Branch President  
Central National Bank

Member FDIC.