THE BANK OF CASTILE
A Tompkins Community Bank

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By

October 4, 2004

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

Dear Mr. Feldman:

The following comments are offered in response to the notice of proposed rulemaking, Vol. 6, No. 161 issued Friday, August 20, 2004 regarding Community Reinvestment Act (CRA).

The Bank of Castile wholly endorses the FDIC's efforts to reduce regulatory burden and would encourage the FDIC to expand these efforts further. Specific to the proposed changes to the Community Reinvestment Act the proposed change in definition of small bank to an asset size of $1 billion is a positive step. This step should not be diluted by adding additional criteria for those banks with assets between $250 million and $1 billion.

The concerns of community organizations are, in fact, misplaced. Small community banks cannot survive without the support of the community it serves. This support can only be gleaned by providing value added services to all segments of the community, not least of which is the low to moderate income sector. While lending to this sector is understandable the most important criteria for community reinvestment, greater consideration should be given to all aspects of community involvement and the bank's total commitment to the community given due regard when measuring "community development".

While a clean formula for the measurement of community development activities is desirable, it's also impractical due to the differences in the communities each bank serves. This is highlighted by the proposed addition of community development in rural communities. The ability and willingness of a bank to make loans and provide support to efforts to improve their assessment area, regardless of the principal business activities are the key criteria. What each bank must address is the community's needs, whatever they may be. The FDIC's challenge is to properly recognize those efforts in aggregate, not against (albeit meaningful but) arbitrary criteria.

Sincerely,

James W. Fulmer
Chairman, President and
Chief Executive Officer

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