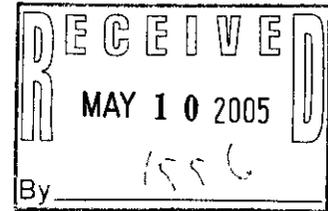




FRANKLIN SAVINGS BANK

387 Central Street • Franklin, New Hampshire 03235



April 28, 2005

Robert E. Feldman
Executive Secretary
Federal Deposit Insurance Corporation
550 17th Street, NW
Washington DC 20429

Re: Revisions to CRA Regulations

Dear Mr. Feldman,

I am writing with my appreciation and concerns regarding the most recent proposal for revisions to the Community Reinvestment Act Regulation. I believe the efforts being made to revise the current regulation are moving in the right direction. However, I do have a few concerns.

First is the proposed dollar limits for a small bank. The original proposal was to keep the "small bank" threshold at \$500 million with no additional test. I support keeping this threshold as part of the new regulation. Banks under \$500 million need regulatory relief and I believe moving the threshold to \$1 billion and adding additional tests will not provide that relief. I would support the streamlined examination for all banks with assets under \$500 million.

We are entering new ground with the proposed "community development test". This is a very important term and based on previous experience it could take years for examiners to interpret and have a consistent means of measuring a bank's rating on "community development". This is a critical area since it will be a requirement for banks to achieve a satisfactory rating in both the lending and the community development test to achieve an overall satisfactory rating. This has the effect of making community development equal in importance to providing credit to the entire community. It is absolutely essential to obtain at least an overall satisfactory rating. Based on the current proposal there is little doubt that many banks will be receiving needs to improve ratings until both banks and examiners have time to work through this critical area. If this test is to remain, there should be a phase in period before requiring equal weighting.

My final concern is with the lack of a definition of "rural" and "underserved". Depending on the final definitions, banks might be required to obtain additional



documentation on each loan in order to demonstrate that the loan qualifies under the new definition of community development. This will not be providing regulatory relief.

Sincerely,

Bonnie L. Leclerc

Bonnie L. Leclerc

Vice President/Sr. Retail Lending Officer/CRA Officer

Cc: Paul Smith, American Bankers Association

Gerald H. Little, New Hampshire Bankers Association