



August 1, 2022

James P. Sheesley, Assistant Executive Secretary  
Attention: Comments RIN 3064–AF81  
Federal Deposit Insurance Corporation  
550 17<sup>th</sup> Street NW  
Washington, DC 20429

**Re: RIN 3064–AF81**

Dear Mr. Sheesley:

After our management team’s review and discussion of the proposed updates to the Community Reinvestment Act Regulations, we respectfully submit the following comments. While we support the move to objective criteria for CRA performance evaluation overall, we request that consideration be given to smaller banks in assessment areas with limited CRA opportunities. Specifically, the scenario in which such a bank has received “Outstanding” or “Satisfactory” for all CRA performance ratings historically, but due to the transition to new criteria and measurements/ratios, could find itself with a substandard rating. Our bank focuses primarily on commercial lending, and our assessment areas include a total of only four moderate-income census tracts and one low-income census tract. The low-income tract is a college campus. Both present limited lending opportunities. The proposed ratio analysis may blindly evaluate our situation negatively.

We hope that if such a scenario came to pass, the FDIC would recognize that the change in rating was through no fault of the bank’s lack of effort, but that the new objective thresholds may not be able to account for that effort. This is not to excuse such a bank from its CRA obligations but encourage that some semblance of a safe harbor transition period be considered so that smaller entities may have reasonable time to adjust to the new framework and criteria.

Thank you for your consideration,

Andrew R. Kostyal, SVP / Risk Officer  
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