
From: Cheryl Nakashige
Sent: Wednesday, January 31, 2007 1:43 PM
To: Supervision
Subject: Guidelines on Small-Dollar Loans

Mr. Robert Feldman, Executive Secretary
FDIC
550 17th Street NW
Washington, DC 20429-9990

Dear Mr. Feldman:

Thank you for the opportunity to comment regarding the FDIC's draft Guidelines on Small-Dollar Loans. The following are my comments after reviewing the draft guidelines:

- ◆ It is unclear as to the dollar amount that is considered a "small-dollar" credit product. Footnote 1 refers to "payday loans that are short-terms loans, generally less than \$500." Better clarification is needed as to the dollar threshold in order for banks to determine if they will receive CRA credit for these types of loans and for consistent CRA examination procedures. Personally, I would like to see at least \$1,000 or even \$2,000 used as a small dollar amount.
- ◆ The ABA did a survey in December 2006 asking banks whether they have "small dollar" unsecured loan products (excluding overdraft lines of credit or protection programs)? Only 26 banks responded. Approximately 19.2% had a program for amounts less than \$1,000, 23.1% had a program but with a minimum of \$1,000-\$2,000, and 57.7% had nothing below \$2,000. While this is not a statistically sound survey, only 42% of banks even offer a small dollar unsecured loan program. A bank would spend the same amount of resources making an unsecured \$500 loan as it would a \$2,000 unsecured loan so why not have a higher small dollar amount.

I appreciate your consideration of the aforementioned comments.

Sincerely,

Cheryl A. Nakashige, VP
Compliance Officer
Citrus & Chemical Bank
cnakashige@candcbank.com
(863) 519-4916 Direct Line
(863) 519-3089 Fax