

May 9, 2005

Re: Request for Comment on Proposed Revisions to Community Reinvestment Act Regulations
12 CFR Part 345
RIN 3064-AC89

Regarding the proposed revisions to the Community Reinvestment Act, I do agree with the proposal to change the threshold for "small bank" to \$1 billion, and to create an intermediate small bank between \$250 MM and \$1 billion.

I do agree that intermediate banks should no longer report originations and purchases of small business, small farm and community development loans. This would have a substantial effect on cost savings and paperwork reduction.

Regarding the "community development" test, while in agreement with the basic principle of this test, we are in disagreement that it should require a satisfactory rating in both the lending and community development test to receive an overall satisfactory rating in CRA. While community development services are usually under our control, small communities often lack frequent opportunities for sizeable community development loans and community development investments. As a result, there may be times when opportunities are not available, and a strict reporting of development loans and/or investments will not accurately reflect our investment in the community.

Therefore, I would oppose the community development test if a satisfactory rating is mandatory for an overall satisfactory CRA rating.

Thank you for your consideration of these comments.

Sincerely,

Jess Laird
President
First State Bank
Athens, Texas 75751