

Robert E. Feldman, Executive Secretary  
Attention: Comments  
12 CFR Part 345 – RIN 3064-AC89  
Federal Deposit Insurance Corporation  
550 17<sup>th</sup> Street, NW  
Washington, D. C. 20429

My name is Robert Berryhill, and I am Executive Vice President and CFO of the First National Bank of Bastrop. We are a \$270 million bank located in Central Texas. We have faithfully supported our community for over 115 years. Last year, we originated 3039 new loans totaling \$56,907,653. 98% of these were in our CRA trade area.

I strongly support raising the threshold of a “small bank” under CRA to \$1 billion. If the threshold is not raised, we will fall in to the existing big bank CRA guidelines next year for the first time even though our bank is located in a small community. By most standards, we would be considered to be rural. However, we would be defined as urban since we are located in the Austin – San Marcos MSA.

Even though over 40% of our school children are eligible for the free lunch program, Bastrop County does not have any low income census tracts due to the large geographic size of the tracts. Under proposed rules we would be forced to take money out of our community and send it into a low income urban area in the MSA for CRA credit. Taking this money out of our county would be a disgrace and would result in Community *Dis*-investment. This would accomplish exactly the opposite result of what I believe is the intent of CRA.

In addition to encouraging you to raise the threshold of a “small bank” under CRA to \$1 billion, I also support indexing the size thresholds for both the small bank and the intermediate small bank annually, based on the consumer price index.

The current proposal, which would add a new community development test (“CD test”) that would be separately rated in CRA examinations for banks between \$250 million and \$500 million in assets (“intermediate small banks”) is unacceptable to us. This untried and untested requirement to CRA increases regulatory burden. As an alternative, why not adopt the proposed intermediate small bank test for banks over \$500 million but less than \$1 billion? This test would offer potential relief from being a large bank, but could allow a bank like ours the option to be considered a large bank if this new test does not work. Either way, the new CD test should be a factor in the new intermediate small bank exam and not a separate test.

The spirit of Community Development lending should be to provide credit to the entire community. A separate test would create an additional CD obligation and

regulatory burden, eroding the intent of the streamlined exam and take money out of our community.

In conclusion, I believe that the FDIC has proposed a major improvement in the CRA regulations, one that much more closely aligns the regulations with the Community Reinvestment Act itself, and I urge the FDIC to adopt its proposal, with the recommendations above. I will be happy to discuss these issues further with you, if that would be helpful.

Sincerely,

Robert E. Berryhill  
Executive Vice President and CFO

Cc: Mr. Greg S. Davis  
Policy Advisor  
Congressman Ruben Hinojosa  
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Washington, D. C. 20515