

Robert E. Feldman, Executive Secretary
Attention: Comments
Federal Deposit Insurance Corporation
550 17th Street, NW
Washington, DC 20429
Attention: RIN 3064-AC89

Re: Community Reinvestment Act Regulations

Dear Sir:

I am a Compliance Officer for a \$450 million bank, headquartered in Fenton, Michigan, a community of approximately 12,000 residents. I am writing to comment on the FDIC's proposal to raise the threshold for the streamlined small bank CRA examination to \$1 billion without regard to size of the bank's holding company.

I support the proposal to create intermediate small banks between \$250 million and \$1 billion and exempt those institutions from data reporting obligations. I'm not sure of the value in that information, especially for intermediate small banks. The majority of the information gleaned from the CRA reports could be obtained by the examiners for CRA analysis purposes even without formal reporting since examiners usually request a loan download while performing an exam. Not filing the CRA report will significantly reduce regulatory burden for a bank of our size. Larger banks likely have automated systems in place to handle the CRA reporting, but this is not cost effective for us. Therefore, our CRA reporting process is completely manual. We spend a significant amount of time reviewing our CRA reporting process to verify accuracy of information

I strongly support the FDIC's proposal to change the definition of "community development" to include "rural or underserved" areas rather than focusing on low-and moderate income area residents. Although, a more specific definition of rural/underserved should be provided by the regulatory agency.

However, I strongly oppose making the Community Development criterion a separate test from the bank's overall CRA evaluation. For a community bank, Community Development lending is not significantly different from the provision of credit to the entire community. The current small bank test considers the institution's overall lending in its community. The addition of a category of Community Development lending (and services to aid lending and investments as a substitute for lending) fits well within the concept of serving the whole community. A separate test would create an additional Community Development obligation and regulatory burden that would erode the benefit of the streamlined exam.

In conclusion, I believe the FDIC is working on a major improvement in the CRA regulation, one that much more closely aligns the regulations with the Community Reinvestment Act itself, and I urge the FDIC to continue to work with institutions to finalize revisions to the regulation Thank you for the opportunity to comment.

Sincerely,

Dee Bedell
Security/Compliance and CRA Officer
The State Bank