



May 5, 2005

Mr. Robert E. Feldman
Executive Secretary
Attention: Comments/Legal ESS
Federal Deposit Insurance Corporation
550 17th Street, NW
Washington, DC 20429

Re: FDIC – 12 CFR Part 345 – RIN 3064-AC89 – Proposed Revisions to the CRA
Regulations

Dear Sir:

I am Senior Vice President, Joanne Campbell, of UnitedKingfield Bank, located in Bangor, Maine. UnitedKingfield bank has eighteen branches statewide, only two of which are in SMSA's, the remainder are located in small communities with populations under 5,000. My bank is worth an estimated \$429 million and recently underwent a large bank CRA exam due to the size of our holding company. I am writing to strongly support the FDIC's proposal to raise the threshold of a "small bank" under CRA to \$1 billion, without regard to the size of the holding company. It is also my belief that indexing the size thresholds for both the small bank and the intermediate small bank annually, based on the Consumer Price Index would allow for threshold adjustments without revisiting the law.

The current proposal offers less relief from regulatory burden by adding a new test to \$250-500 million banks. This would undermine the purpose of raising the thresholds for small banks and adds new untested requirements. I agree that the threshold for the existing small bank test be raised to \$500 million without the addition of a new test.

I also support the adoption of the proposed intermediate small bank test for banks over \$500 million but less than \$1 billion. This test offers potential relief, allowing the bank the option to be

considered a large bank. I find that although the proposed community development test for small intermediate banks appears to offer greater flexibility in meeting unique community needs, I have reservations in making it a separate test. I feel that the consequence of a less than satisfactory rating is an unsatisfactory overall CRA rating. I believe that this is inconsistent with the statute and intent of Congress. Not even the large bank investment test was given this level of importance. I urge that the community development test be made a factor in the new intermediate small bank examination, not a separate test.

As FDIC examiners know, it has proven extremely difficult for small banks, especially those in rural areas, to find appropriate CRA qualified investments in their communities. Many small banks have had to make regional or statewide investments that are extremely unlikely to ever benefit the banks' own communities. I urge that "rural" should include those counties designated as "nonmetropolitan" by OMB. The proposal also adds a focus on "underserved rural areas". I would agree insofar as "underserved" should include any rural area or county designated as a CDFI investment area. I agree also that there needs to be parity between the number of low- and moderate – income census tracts in rural areas with the number of LMI tracts in urban areas.

I think that this change in the definition will go a long way toward eliminating the current distortions in the regulation. With most of our branches located in communities of under 5,000 residents, and in many cases we are the only bank in town, we feel that we do a substantial amount of rural lending. We do a tremendous amount of small business lending in these rural areas, which really do benefit the entire community from an economic standpoint. These small business and small farm lending activities that we do are truly about sustaining the rural communities and ensuring a continued livelihood and way of life in these communities.

In conclusion, I believe that the FDIC has proposed a significant improvement in the CRA regulations 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,

Senior Vice President – Risk Management

cc: Jeff Smith, President UnitedKingfield Bank