

May 2, 2005

Mr. Robert E. Feldman
Executive Secretary
Attention: Comments/Legal ESS
Federal Deposit Insurance Corporation
550 17th Street, NW
Washington, DC 20429
Re: RIN 3064-Ac89 Proposed Revisions to Community Reinvestment Act Regulations

Dear Sir,

I am the Compliance Officer of SpiritBank with assets of \$679 million, which includes our Holding Company. Our Head Office is located in Tulsa, Oklahoma. As a community banker, I would first like to compliment the FDIC, for all of their positive support regarding the ongoing efforts of the proposed revisions to CRA. The revisions will reduce the unnecessary burden on “intermediate small banks”, (assets between \$250 million and \$1 Billion), without reducing our efforts in meeting the objectives of CRA.

I support the proposal to raise the small bank threshold to \$1 billion, without regard to holding company size and to eliminate the data collection and reporting requirements for certain loans. I also support the use of the Consumer Price Index to adjust the asset size of “small and intermediate small” banks for inflation.

I do not support the addition of a new community development test. This addition is unwarranted and counterproductive and offers less red tape relief than the original proposal offered earlier this year that would have taken the threshold to \$500 million.

It may make some sense to have an “intermediate small” bank test for banks over \$500 million but less than \$1 billion as proposed. This proposed test offers some relief from the “large bank” exam requirements, and still gives the banks the right to opt to be considered a “large bank” if the new test is found to be unworkable.

The proposed community development test should only be a factor in the overall determination of the bank’s CRA rating. It should not be a “separate but equal” test, whereby if a bank gets a less than satisfactory rating in this area it gets an “Unsatisfactory” CRA rating overall.

The current CRA shortchanges rural Oklahoma. Too many banks have had to make contributions, investments or loans outside of their rural communities solely to satisfy the requirements of the current “large bank” test. I believe that “Rural” should include those counties designated as “Non-metropolitan” by the Office of Management and the Budget which is a standard definition that is easily found and is the most equitable treatment of this issue.

I also believe that the term “community development” should be expanded as proposed to include loans for the purpose of making affordable housing available for individuals, or to revitalize or stabilize underserved rural areas and designated disaster areas, in addition to such loans made to low or moderate income (LMI) individuals but should also include individuals and areas that may not be designated as low to moderate income but are in the underserved rural areas.

I believe the proposed changes will allow “intermediate small banks” to have more flexibility in how we allocate our community development resources through our own strategic use of loans, investments and services. We work and live in our communities which gives us the benefit of knowing their needs better than others and we should be given the opportunity to invest our dollars where it makes the most sense for us and the communities we serve.

I believe that activities that help to revitalize and stabilize underserved rural areas or designated disaster areas benefit everyone including the areas where the needs of the communities have been or are being met by the objectives set by CRA.

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,

Pat Hooks
Vice President of Compliance
SpiritBank