

Itasca Bank & Trust Co.
308 W. Irving Park Road
Itasca, Illinois 60143

May 6, 2005

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

Re: Community Reinvestment Act Proposal 2005

Dear Sir:

Our bank, Itasca Bank & Trust Co., would like to submit this comment letter in support of the FDIC's recent CRA proposal. Our bank strongly endorses the FDIC's proposal to expand the category of "small banks" to those under \$1 billion, regardless of any holding-company size or affiliation. The bank does not agree with the addition of a new sixth criterion (community development test) to the existing streamlined small bank test for banks \$250 million up to \$1 billion.

Our bank has approximately \$355 million in assets, with one location in Itasca, Illinois. Since the opening of our bank over 55 years ago, our philosophy has been to be a business leader and to act in the best interest of our community. We believe our success is directly related to our support and involvement in our community. I am the Compliance Officer and also currently serve as the CRA Officer, Privacy Officer, Business Continuity Coordinator and liaison to our contracted auditing firms. As with so many community banks, many officers in our bank handle numerous roles.

The proposal, if approved, would greatly reduce our regulatory burden under the CRA. We are located in DuPage County, which has a high median family income (2004 was \$67,800) and average home values above \$150,000. We are not located in a rural community. We have had great difficulty in finding opportunities that meet the definition of community development loans, investments and services. We do not have the expertise or capacity to become involved in complex community development projects like equity investments, even if we could find opportunities. We do not have the budget to employ a full-time community development officer as many larger banks do. Including a community development criterion for banks in our asset size would continue the existing problem we have meeting the current large bank CRA requirements.

Subjecting a \$350 million bank to the same examination as a \$100 billion bank is not reasonable. The regulatory burden on smaller banks has grown significantly larger, including in the last few years with the USA Patriot Act and the Gramm-Leach-Bliley Act. Even if the size eligibility for the small-bank CRA examination does rise to \$1 billion, it will not decrease our CRA responsibilities or the impact our banking activities in our community. The change will eliminate some of the most burdensome CRA requirements.

In summary, we believe that increasing the asset-size of banks eligible for the small bank streamlined CRA examination process to \$1 billion is an important step that will impact us by reducing our regulatory burden without negatively impacting the community we serve. We do not agree that the addition of a community development criterion or a separate community development test for banks with assets of \$250 million to \$1 billion would be beneficial. We would continue to have difficulty maintaining staff and resources to find qualified community development loan, investment or service opportunities.

Sincerely,
Dolores Little
Vice President/ Compliance Officer