

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

Dear Mr. Feldman:

I am a community banker that endorses the FDIC's proposal to increase the asset size of banks eligible for small bank streamlined Community Reinvestment Act (CRA) examination from \$250 million to \$1 billion. This proposal will greatly reduce regulatory burden on our bank. We do not support the addition of the Community Development test for "intermediate small banks". This adds a layer of uncertainty in the evaluation process. This proposed "flexible" community development test lists criteria that are vague and would be difficult if not impossible to determine with confidence exactly what a bank would need to do to obtain a satisfactory rating. The rules do not provide guidance for banks and whether a bank passes or not would be subjective on the part of the examiner.

As a community bank recently passing the \$300 million level, the proposed increase is a good step. We do not believe that a community bank our size should be evaluated against banks hundreds of times our size, rather we should be compared against our peer banks and the proposed change recognizes that assessing the CRA performance of a \$500 million against a mega-billion dollar bank isn't right. This adjustment of asset size limits reflects the significant changes and consolidation within the banking industry in the past 10 years.

Our continued presence is important in the communities we serve. Our independence is an important factor in the success of our bank and keeping the focus of community institutions on lending which the small institution exam does, we believe, is consistent with the purpose of the Community Reinvestment Act, which is to ensure that the Agencies evaluate how banks help meet the credit needs of the communities in which they serve.

We agree that community banks must comply with the general requirement of CRA; however this change will eliminate some of the most burdensome elements of the current CRA regulation for community banks.

Thank you,

Jan M. Hannon
Senior Vice President & Compliance Officer
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