

May 10, 2005

Mr. Robert E. Feldman, Executive Secretary
Federal Deposit Insurance Corporation
550 17th Street, N.W.
Washington, DC 29429

RE: RIN number 3064-AC89

Dear Mr. Feldman:

As a community banker, I am pleased to comment in support of the proposal issued by the FDIC that would amend the definition of a small institution to be a bank that is under \$1 billion in assets. I believe that this change will provide much needed regulatory burden relief for me and other community bankers. It seems that every week there is a new and additional regulation with which we must comply. This is one example of regulatory burden relief that will really make a difference. I would much rather use the limited resources available to my bank to serve my community than to collect and maintain data and documents to prove to examiners that I am meeting the needs of my community.

Our bank is headquartered in Western North Carolina with 10 offices throughout rural Western North Carolina and 2 offices located in Eden, North Carolina. We have approximately 200 employees and our assets size is \$860 Million. Our CRA rating for the past three examinations has been "Outstanding" and the Association of Fundraising Professionals in Western North Carolina has named us the Outstanding Business in Philanthropy. As you can see we believe in being a part of the community and serving the needs of our customers. Any relief from the regulatory burdens you can provide will enable us to continue to assist in our communities by providing affordable home loans and small business loans to meet the needs of our customers and communities.

Compliance with the Community Reinvestment Act is something we take very seriously at our bank. We don't just believe it is the right thing to do; we believe it is the right business thing to do. No community bank can survive and compete without meeting the needs of its customers and communities. We believe in our community and in our customers and want to work with them to provide products and services that best meet their credit needs. We do not need a complicated examination process to show that we are complying with the law.

It is absurd to think that a bank thousands of times larger than my own community bank should be examined using the same procedures. I strongly urge you to amend the definition of a small bank for CRA purposes to be an institution with less than \$1 billion in assets, regardless of whether the bank is part of a holding company. This is a good proposal and is the right thing to do.

Thank you for considering my views.

Sincerely,
Peggy C. Melville
Senior Vice President
Chairman/President/CEO