

From: Pam Zbylut [mailto:pzbylut@snbomaha.com]
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To: Comments
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My bank is in favor of the proposed changes to CRA which would create a category for intermediate small banks. Our bank is presently a CRA large bank because total assets are approximately \$450 million. Having been subject to the burdens of large bank CRA laws as a quite small large bank, we welcome the proposed regulatory change. Adjusting the asset size for small and intermediate small banks on an ongoing basis with the Consumer Price Index is appropriate.

Although I have been involved with large bank reporting for several years, I'm not sure there is value in that information, especially for intermediate small banks. The majority of the information gleaned from the CRA reports could be obtained by the examiners for CRA analysis purposes even without formal reporting since examiners usually request a loan download while performing an exam. Not filing the CRA report will significantly reduce regulatory burden for a bank of our size. Larger banks likely have automated systems in place to handle the CRA reporting, but this is not cost effective for us. Therefore, our CRA reporting process is completely manual. We spend a significant amount of time auditing our CRA reporting process to verify accuracy of information. Regulatory burden would also be reduced because we would no longer be subject to data integrity OCC exams for CRA. Raising the threshold for small bank CRA exams to \$500 million would reduce regulatory burden even more.

We are in favor of a separate rating for community development activities vs. the large bank CRA rules which have a separate rating for lending, investments, and services. We will continue to track community development activities in those areas in the same manner that we currently track them as a large bank. I believe having a separate rating factor for community development activities is fair to community groups as that assures intermediate small banks will be subject to more CRA scrutiny than small banks. At the same time, evaluating all community development activities under one test provides banks flexibility which should make receiving a "satisfactory" rating a reasonably achievable goal. Allowing examiners to use performance context does provide more flexibility for intermediate small banks in their quest to receive a "satisfactory" for the community development test. In terms of reducing regulatory burden, establishing a category for intermediate small banks would be a definite improvement for us over the large bank CRA exam guidelines.

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