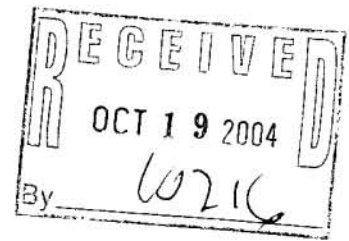




www.maquoketasb.com



October 6, 2004

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

Re: Community Reinvestment, RIN number 3064-AC50;
Proposal to Expand Eligibility for the Streamlined CRA Exam

Dear Mr. Feldman:

As compliance and CRA officer of a "Small Bank" facing the imminent event of becoming a "Large Bank," I strongly support the FRB's proposal to increase the asset threshold for CRA purposes. Maquoketa State Bank's current asset size of \$235 million qualifies as a "Small Bank" under current CRA guidelines, however, all will change in the next few years when our assets grow to over \$250 million.

Once Maquoketa State Bank reaches \$250 million in assets, our CRA policies and procedures will have to change. The requirements for a "Large Bank" are much more stringent and burdensome. Our bank is not required to report under HMDA, therefore the reports and information requested for "Large Banks" are not readily accessible. If the threshold is not changed, training will be necessary for several people within the bank, new forms must be purchased, and a monitoring/auditing process must be implemented. All these things may seem a small task to a true "Large Bank," but to Maquoketa State Bank this is a very time consuming and expensive project. The CRA Officer doubles as Compliance Officer and a Loan Officer, in a true "Large Bank" there is a separate position for CRA Officer and Compliance Officer, meaning the capabilities are widened. Our bank would have to explore the possibility of hiring an additional employee to cover the tasks of the CRA Officer if the threshold is not raised.

Maquoketa State Bank received an "Outstanding" rating during the Federal Reserve's latest CRA Exam in November of 2003. As a community leader, Maquoketa State Bank has come to be recognized as the "Home town bank" because of not only the involvement in community organizations and events, but also because of investments the bank has

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made in the Maquoketa area. This recognition is not only coming from examiners, but the community as well. The bank is almost expected to be involved in any new ventures that would benefit the general public. If CRA limits are raised, this perception will not change. If Maquoketa State Bank were to stop or slow the investments to the community, business would be lost and growth would slow tremendously.

The costs to this particular bank of not raising the CRA threshold are severe. If the threshold is raised, there will be no change in our bank's community involvement and investments. Our bank would not be able to survive if we stopped contributing to our community. Community involvement is a must in banking, no matter what the size of the bank or community.

Sincerely,

A handwritten signature in cursive script that reads "Matt Tranel".

Matt Tranel
Assistant Vice President/Compliance Officer
Maquoketa State Bank