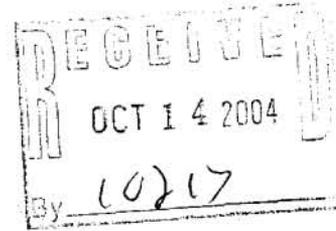


 BANK AT HOME  
**PremierBank**

October 6, 2004

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



RE: RIN Number 3064-AC50:  
FDIC Proposed increase in the Small Bank CRA Streamlined Examination

Dear Mr. Feldman,

I am President of PremierBank located in Fort Atkinson, Wisconsin, a small town of 12,000 residents. My Bank size is a little over two hundred million in assets. I am writing to support the FDIC's proposal to raise the threshold for the streamlined small bank CRA examination to one billion dollars without regard to the size of the bank's holding company. This would greatly relieve a portion of the regulatory burden imposed on small banks such as my own under current regulation, which are required to meet standards imposed on the nations largest on trillion dollar banks. I do understand this is not an exemption from CRA and that my bank would still have to help meet the credit needs of its entire community and be evaluated by my regulator. However, this would significantly lower my current regulatory burden by eliminating many of the duties and the additional tracking that would be required under CRA if we were not covered by the "streamlined" requirements. During our last CRA examination (by the way, we were one of three banks in Wisconsin to receive an "outstanding" rating under CRA—so you know we are committed to serving the credit needs of our community) the examiner shared with me that we should be preparing ourselves for a considerable amount of extra time, effort and expense because during their next review we would no longer be covered under the streamlined regulations of CRA.

I also support the addition of a community development criterion to the small bank examination for larger banks. It appears to be a significant improvement over the investment test. However, I urge the FDIC to adopt its original five hundred million threshold for small banks without a CD criterion and only apply the new CD criterion to community banks greater than five hundred million up to one billion dollars. Banks under five hundred million now hold about the same percent of overall industry assets as community banks under two hundred and fifty million did a decade ago, when the revised CRA regulations were adopted. This adjustment in the CRA threshold is appropriate. As FDIC examiners know, it is proven to be extremely difficult for small banks especially those in rural areas to find appropriate CRA qualified investments in their communities. An additional reason to support the FDIC's CD criterion is that it

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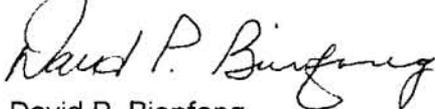
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significantly reduces the current regulation's "cliff effect." Today, when a small bank goes over the two hundred and fifty million dollar threshold, it must completely reorganize its CRA program and begin a massive new reporting, monitoring and investment program. If the FDIC adopts its proposal, a state non-member bank would move from the small bank examination to an expanded but still streamlined small bank examination, with the flexibility to mix Community Development loans, services and investments to meet the new CD criterion. This would be far more appropriate to the size of the bank, and far better than subjecting the community bank to the same large bank examination that applies to one trillion-dollar banks. The more graduated transition to the large bank examination is a significant improvement over the current regulation.

I strongly support the FDIC's proposal to change the definition of "community development" from only focusing on low-and moderate-income area residents to including rural residents. I think that this change in the definition will go a long way to eliminating the current distortions in the regulation. We caution the FDIC to provide a definition of "rural" that will not be subject to misuse to favor just affluent residents of rural areas.

In conclusion, I believe the FDIC has proposed a major improvement in the CRA regulations, and one that much more closely aligns the regulations with the Community Reinvestment Act itself, and I urge the FDIC to adopt its proposal, with the recommendations above.

Very truly yours,



David P. Bienfang  
President

DPB/clh

Cc: The Honorable Alan Greenspan, Chairman  
Board of Governors of the Federal Reserve System  
20<sup>th</sup> Street and Constitution Avenue, NW  
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