

**From:** Bank Of Terrell [mailto:bankofterrell@alltel.net]  
**Sent:** Thursday, March 17, 2005 3:55 PM  
**To:** Comments  
**Subject:** RIN No. 3064-AC89 - CRA Regulations.

This email is a response to proposed revisions to the CRA thresholds and redefine what constitutes "community development". As a small community bank located in an economically poor rural town, I very much appreciate and support the regulators' proposal to amend CRA. First, the thresholds have not been adjusted to take into consideration any banking growth, not even basic inflationary growth. The size of what it can mean to be a "small bank" has changed and it is good to see the regulators recognizing this. Second, it has always been unfair that holding company size can determine whether a bank is considered small or large for CRA compliance. For example, we have a bank in our holding company that is \$40 million in asset size while our bank is \$120 million and the third bank in our holding company is \$75 million. Under current CRA regulations, even with very modest growth, it will not be long before we will be considered a large bank for CRA purposes. The \$40 million dollar bank in our holding company serves a town of 1000 people and has been in existence for more than 75 years. It has taken more than 75 years for this bank to reach \$40 million (over the last five years, it has only had 2.5 million dollars in growth over that entire period). Certainly, one can see that this bank is not "large" and that the original CRA language had some unintended consequences contained in it that I am happy to see the regulators addressing. Allowing for future raises in the thresholds is also a huge step in the right direction concerning at least allowing the thresholds to be adjusted with inflation thereby avoiding having to make enormous changes again to the regulation. Third, the expanding of the definition of "community development" is long overdue. Community banks like ours are the cornerstone of rural America. Without us, many of the communities that we serve would cease to exist. On a very regular basis, I am happy to report, we are assisting people obtain a home (many of them for the first time). However, I would actually like you to consider expanding the definition of "community development" even further to include any investment from financial institutions that help the community at large. For instance, our bank donates thousands of dollars to our local community theater. This theater draws out of town people into our community who then purchase other goods and services while in our county. This increases our sales tax revenue which lately has been used to pave roads in the more rural, lower income sections of our county. Everyone benefits, from the very poor (who now have their roads paved) to the more affluent (local small business owners). I believe this type of investment should qualify for "community development". Banks (especially community banks) contribute so much to their communities that they never get credit for and that will probably never change. But what should change is that these contributions should be recognized by the regulators. Again, on behalf of everyone at our bank (employees, management and board of directors) we really appreciate your diligence into amending the Community Reinvestment Act and support the changes you are proposing.

Regards,  
Lucie Beeley, Compliance Officer and VP  
Bank of Terrell  
Dawson, GA