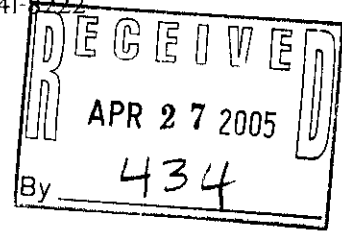




KIRKPATRICK BANK

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April 20, 2005

Robert E. Feldman, Executive Secretary
Attention: Comments
Federal Deposit Insurance Corporation
550 17th Street, NW
Washington, DC 20429
comments@fdic.gov

Comments to the latest proposal to revise the Bank CRA Regulations RIN 3064-AC89

This proposal would only provide a regulatory burden relief for financial institutions with assets under \$250 million. The current CRA regulation considers a "large" bank to be any financial institution with over \$250 million in assets. Therefore, nothing has really changed, the threshold in the definition of a small bank versus a large bank for CRA purposes is still the same.

Any relief from the reporting burden would include the raising of this \$250 million threshold to a \$1 billion threshold (The raising of the asset size threshold to \$1 billion will only have a small effect on the amount of total industry assets covered under the large bank tests, however, the additional burden relief provided for the institutions with assets under \$1 billion, 14% of the banking industry, would be a substantial relief).

Once a financial institution exceeds \$500 million in assets for both of the previous two years it could be subject to the streamlined small bank lending test, however, to add a community development (CD) test, is counter productive to the burden of relief being sought by smaller financial institutions. Community development activity criterion would be more attainable for banks with assets of \$1 billion or more. For small banks with assets of less than \$1 billion it will be hard for them to compete with the larger banks for qualified investments and is an unwarranted burden for these smaller institutions.

When a financial institution has exceeded \$1 billion in assets for both of the previous two years the CRA reporting burden should begin (financial institutions with assets of \$1 billion or more consist of 86% of the banking industry).

To truly provide relief of the CRA reporting requirements, the \$250 million threshold would need to be raised to \$1 billion and no separate community development test needs to be added for banks that exceed \$500 million in assets. The current lending test includes a community development review (Bank's under \$500 million in assets only account for 11% of total banking industry assets). Changes need to be made in order to provide relief for the smaller financial institutions, not adding complexity to substitute for reducing regulatory burden.

Thank you for allowing comments on the Bank CRA regulatory relief proposal.

Sincerely,

John D. Goad
President and CEO

Robert D. Banks
VP & Director of Audit / Compliance