VOYAGER
BANK

April 28, 2005

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

RE: RIN 3064-AC89

To Whom It May Concern:

Thank you for the opportunity to comment on the proposed revisions to the Community Reinvestment Act. Voyager Bank is a $500 million community bank (with four banking locations) serving primarily the suburban Minneapolis area. Our primary focus is commercial and real estate lending.

Voyager Bank strongly supports the FDIC's proposal to increase the asset size of banks eligible for the small bank CRA examination to $1 billion. Banks' regulatory burden has increased greatly over the past few years with the passage of such laws as the Gramm-Leach –Bliley Act, the USA Patriot Act, the FACT Act and the Check 21 Act. While banks understand the need for banking regulations, community banks such as Voyager find complying with them especially burdensome. Changing the asset threshold to $1 billion will decrease the regulatory burden for many community banks, leaving more time for bank employees to meet the credit needs of their community.

Voyager Bank does not support the adding of a mandatory community development performance criterion for banks with assets greater than $250 million and up to $1 billion as an additional component of small bank standards. The FDIC is concerned that it is difficult for smaller institutions to make qualified investments; however, smaller institutions also have a difficult time competing with larger more established banks for community development loans and services. The Minneapolis market is highly competitive and is no exception to this. In the nine counties that encompass our assessment area, there are approximately 150 different banks (and 600 banking offices) competing for loans and deposits.

In addition, the proposal does not explain what the community development criterion is or how it will be tested. If the FDIC adds community development criterion, how would it be quantified? The proposal says "banks would be required to engage in activities based on opportunities in the market and the bank's strategic strengths." How will the agency test this criterion? What if the bank uses staff and time resources and does not get results?

The proposal asks for comment on whether the FDIC should apply a separate community development test in addition to existing streamlined performance criteria applicable to evaluate community development activities, instead of adding a community development criterion. A separate community development test would *not* reduce the burden for small banks between $250 million and $1 billion and would require the bank to compete for the same community development loans and activities as under the current CRA large bank requirements.

In conclusion, while Voyager Bank supports raising the small bank threshold, it does not support adding new tests or criteria. Adding new tests or criteria will defeat the FDIC's purpose of reducing regulatory burden, creating new rules that are just as onerous as the current rules. Our recommendation would be to leave the three-prong examination test (loans, investments, & services) in place and raise the CRA "large" bank threshold to $1 billion.

We thank you very much for your consideration of our comments. If you have any further questions, please feel free to contact me at (952) 345-7653. Thank you.

Sincerely,

Melissa Swenson

Melissa Swenson
Vice President/Compliance Manager

cc: American Bankers Association
Minnesota Bankers Association

EDEN PRAIRIE (952) 345-7600 | MANKATO (507) 625-8721 | SHAKOPEE (952) 496-3902