

VIRGINIA BANKERS ASSOCIATION

April 20, 2007

Office of the Comptroller of the Currency
250 E Street, S. W.
Mail Stop 1-5
Washington, D. C. 20219
Docket ID OCC-2007-0007
www.regulations.gov

Robert E. Feldman
Executive Secretary
Attention: Comments
Federal Deposit Insurance Corporation
550 17th Street, N.W.
Washington, D. C. 20429
RIN 3064-AD17
Comments@FDIC.gov

Jennifer J. Johnson, Secretary
Board of Governors of the
Federal Reserve System
20th Street and Constitution Avenue, N.W.
Washington, D. C. 20551
Docket No. R-1279
regs.comments@federalreserve.gov

Regulation Comments
Chief Counsel's Office
Office of Thrift Supervision
1700 G Street, N.W.
Washington, D. C. 20552
Attention: OTS-2007-0006
www.regulations.gov

Re: **OCC** Docket ID OCC-2007-0007; **FRB** Docket No. R-1279; **FDIC** RIN 3064-AD17 (No Docket ID); **OTS** Docket ID OTS-2007-0006

Ladies and Gentlemen:

I am writing on behalf of the Virginia Bankers Association to express our strong support for increasing the asset size of banks eligible for the 18-month exam cycle from \$250 million to \$500 million. The proposed interim rules are entirely consistent with Section 605 of the Financial Services Regulatory Relief Act of 2006 (the "Act"), which was enacted to reduce unnecessary burdens on financial institutions.

Under the Act and the proposed rules, a bank with less than \$500 million in assets would qualify for the 18-month examination cycle if such institution is well-capitalized and well-managed and has a CAMELS rating of 1 or 2. An extended exam cycle for such banks is wholly appropriate given that such institutions pose very little risk and the agencies can monitor such institutions off-site for any signs of a problem. Putting these banks on an 18-month examination cycle, as opposed to a 12-month cycle, allows both the federal banking agencies and the banks to devote scarce resources to more important endeavors.

We emphasize that banks continue to operate under a significant regulatory burden. We believe it is incumbent on the federal banking agencies to do all they can to ease this burden and we commend you on this proposal. These rules, as required by the Act, are the kind of changes our banks welcome.

Sincerely,



Bruce T. Whitehurst
President and CEO

BTW/sk