



March 26, 2020

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

Re: FDIC RIN 3064-AF22 Proposed Changes to Community Reinvestment Act

Dear Mr. Feldman;

We agree that the current CRA regulation is outdated and in need of reform; however, it is also disconcerting that the agencies are not in agreement with each other regarding these changes. All three agencies must be unified in their rulemaking and standards or the potential for chaos and inconsistency increases. Any changes in CRA must be made with all agencies in full agreement and consensus before they are ever implemented or enforced.

The proposed changes have several areas that are not clearly defined. It has been our experience that when interpretation is left up to the judgment or discretion of the examiner, it poses problems for both banks and examiners. When the changes are not clearly defined banks cannot meet the exam criteria. Examiner judgment is based on their personal opinion or experience, which does not always concur with the judgment of other examiners. The proposed changes will include a listing of qualified activities, which is good, but it may not be updated timely enough to add clarity to an exam. If transparency is the goal of reforming CRA, then leaving judgment up to the subjective opinion of the examiner will not achieve that goal.

Perhaps a formal training program on CRA for CRA Officers and regulators should be considered. Compliance Officers receive training for CRCM or CCBCO titles, but there isn't a school or program for CRA certification. There needs to be uniformity with regulators and CRA Officers alike and perhaps a formal schooling or program certification would help address that weakness.

First Bank of Wyoming performs a significant amount of mortgage lending and we are opposed to the proposal that we would only get partial credit for the loans we sell. We understand the purpose for the agencies wanting to restrict the selling of loans from receiving multiple credits for making loans and selling loans, and for multiple banks receiving credit for the same transaction. However, when we sell loans on the secondary market, it frees up additional capital to make additional loans to low- and moderate-income individuals. We utilize several loan programs that target low- and moderate-income individuals and provide us a safe and sound means to extend them credit. Penalizing banks for selling loans by only giving partial credit could dissuade them from offering these programs.



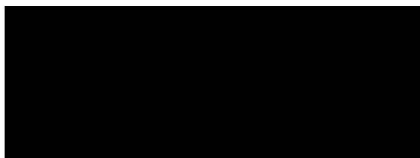
Our bank prides itself on community service – and we agree that the requirement to provide “financial expertise” in the community should be removed from the regulation. Many of the activities we do in the community benefit low- and moderate-income individuals, but we have not been able to count those activities in our CRA exam because they did not lend “financial expertise”.

The proposal includes many “measurement tests” and requires more reporting, which will be burdensome for banks and seems unnecessary. The underlying measurement should be how well we meet the needs of each community. The bank should be identifying those needs and measured on how well we are meeting them.

The current proposal would actually penalize banks that serve rural communities. Due to the lack of low and moderate and designated distress and underserved census tracts which we have no control over. For example, First Bank of Wyoming has several assessment areas with no low- or moderate-income census tracts, and no designated distressed or underserved middle income census tracts. Yet we are serving individuals in these areas who are considered low and moderate income and are providing banking services and products that benefit them.

Finally, we encourage the Agencies NOT to transition to a two-tiered system. We believe the threshold to be considered a “large” bank will be a hardship on smaller banks. Banks with assets of greater than \$500 million are in reality considered to be small banks. An Intermediate Bank status is imperative for smaller community banks to survive, to use as a building platform to grow staffing as they increase their asset growth in order to remain compliant.

Respectfully,



Ty Nelson
President
First Bank of Wyoming | 245 E. First Street Powell, WY 82435