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August 10, 2004

Honorable Jim Gilleran, Director
Office of Thrift Supervision
Department of the Treasury
1700 G Street, NW
Washington, DC 20552

Dear Director Gilleran:

Thank you for your foresight in raising the threshold to \$1 billion for in-depth CRA examinations. My colleagues and I can tell you it truly will make a difference in the regulatory burden relief for community thrift institutions, like Home Federal Bank.

Home Federal Bank is an \$840 million thrift institution located in Sioux Falls, South Dakota. Community reinvestment is our business and our way of life. As a community bank, we would be doing a discredit to our shareholders if we were not serving the credit needs of our communities.

Since the inception of the large bank CRA examination, Home Federal received an initial Satisfactory rating and has maintained an Outstanding CRA rating every examination thereafter. During this period, we have not changed our operation or our philosophy – we have always been focused on meeting the needs of our communities! We live on main-street and must be in tuned to the lending and housing needs of the communities we serve. Home Federal Bank is celebrating its 75th year of serving the housing and depository needs of South Dakota and Minnesota communities. We truly serve these communities and serve them well!

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By increasing the threshold to \$1 billion, the OTS recognizes that community banks, such as ourselves, are truly "community banks" and exist to serve the communities in which they are in. This change is one of the few true examples of "regulatory relief" to community banks. The extraordinary amount of time we spend documenting and proving our CRA performance can now be used to continue our CRA efforts and provide value to our organization.

Thank you.

Sincerely,



Becky Nagel Stritecky
Vice President/Compliance Officer

cc: The Honorable Thomas Daschle
United States Senate
SH-509 Hart Senate Office Building
Washington, DC 20510

The Honorable Timothy Johnson
United States Senate
SH-136 Hart Senate Office Building
Washington, DC 20510-4104

The Honorable Stephanie Herseth
House of Representatives
1504 Longworth House Office Building
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Donald E. Powell, Chairman
Federal Deposit Insurance Corporation
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Washington, DC 20429

The Honorable Michael Oxley
Chairman Financial Services Committee
House of Representatives
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The Honorable Paul Sarbanes
Banking, Housing & Urban Affairs Committee
United States Senate
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The Honorable Richard Shelby
Chairman, Banking, Housing & Urban Affairs Committee
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