



Hancock County Savings Bank, FSB

March 26, 2004

Regulation Comments
Chief Counsel's Office
Office of Thrift Supervision
1700 G Street, NW
Washington, DC 20552
Attention: No. 2004-04

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Dear Sir or Madam:

As Vice President Lending/Compliance of Hancock County Savings Bank, FSB, a \$264 million mutual savings bank located in Chester, WV, I am writing in support of the federal bank regulators' proposal to increase the asset size of banks eligible for the small bank streamlined Community Reinvestment Act (CRA) examination from \$250 million to \$500 million.

The small bank streamlined CRA examination was an excellent innovation to assist examiners in determining whether or not community banks were meeting the credit needs of their local communities. The streamlined examination focuses on the bank's loan to deposit ratio, the number of loans originated inside and outside of the bank's defined assessment area and the number of loans made to borrowers of various income levels. Under this process, banks are evaluated against their peers and not banks hundreds of times their size.

The regulatory burden on small banks has increased over the years with the enactment of the USA Patriot Act, Gramm Leach-Bliley Act and revised HMDA, to name a few. Compliance with the requirements of the large bank CRA examination would prove burdensome and costly to community banks and the required resources necessary for compliance would not be available to meet the credit needs of the local communities.

Increasing the size of banks eligible for the small bank streamlined CRA examination would not relieve banks from their CRA responsibilities. Under the streamlined examination, a bank's CRA performance would be more accurately measured and the increase would merely eliminate the most burdensome regulatory requirements.

In conclusion, I believe that increasing the asset size of banks eligible for the small bank streamlined CRA examination process is an important step to reducing regulatory burden. While community banks must still comply with the general requirements of CRA, this change will eliminate the more problematic and burdensome elements of the current CRA regulation from community banks. Community bank efforts could be better spent addressing the credit needs of their communities rather than the costs and burdens associated with the large bank CRA examination.

Sincerely,

A handwritten signature in black ink, appearing to read "John R. Many penny".

John R. Many penny
Vice President Lending/Compliance

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