



February 22, 2005

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Regulation Comments, Chief Counsel's Office
Office of Thrift Supervision
1700 G Street N. W.
Washington, D.C. 20552

Attention: No 2004-53

Re: Community Reinvestment Act - Community Development, Assigned Ratings
69 FR 68257 (November 24, 2004)

Dear Sir or Madam:

I am writing to express support for the recent determination by the Office of Thrift Supervision (OTS) to raise the ceiling of eligibility for streamlined Community Reinvestment Act (CRA) exams to thrifts under \$1 billion in assets. Financial institutions, such as ours, greatly appreciate the sensible move toward helping to lift excessive regulatory burdens.

Judging from some comment letters on the OTS website, one might think that CRA will no longer apply to smaller institutions, and that small thrifts will cease supporting their communities. The reality is quite different. CRA continues to be the law of the land for all thrifts, and community development is basic good business.

If our institution is any example of other thrifts, we know that we have been serving our community by providing affordable mortgage loans for over 79 years - spanning the Great Depression, World War II, the space age, and now the age of Internet technology. Simply put, this thrift has always been a community investor. That is our only business - loans to buy, build and repair homes in our local area. Our commitment to the community will not change because of the existence or non-existence of a bank regulation. Reducing regulatory mandates permits freedom of action toward working on positive solutions to community problems.

Recently, we helped a local senior citizens home for the elderly poor win a sizable FHLB grant. There was a compelling need to make serious repairs to the home. This grant enabled the charity operating the home to continue serving its poor and elderly residents. We joined with dozens of other local citizens to meet the community need, and, thankfully, we were able to help. CRA was not, and should not be, the motivating force behind such efforts.

My experience with other CEOs around the country leads me to believe that small thrifts will continue serving their communities in imaginative ways that make sense for them and the citizens in their communities. It is not only good business, it's also the right thing to do.

I greatly appreciate the opportunity to offer these comments.

Very truly yours,

Michael E. Nolan
President/CEO

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