



PLUMAS BANK

ADMINISTRATION OFFICE

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January 21, 2005

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

Re: OTS Community Reinvestment Act Proposal

Ladies & Gentlemen,

Thank you for this opportunity to voice our opinion regarding the OTS' proposed rulemaking regarding the Community Reinvestment Act.

Plumas Bank is a locally owned community bank located in northeastern California with total assets of \$417 million as of December 31, 2004. Our assessment area is comprised of four full counties, and portions of three others, all situated in rural mountainous or high desert areas. The FDIC is our primary regulator.

Since becoming a large bank under the CRA in 2002, much time and resources have been spent ensuring accurate data collection of our lending activity, documenting the delivery of services, and researching suitable CRA investments. The most challenging area has been locating suitable CRA investments. Because of the rural and sparsely populated nature of our assessment area, typical CRA investment opportunities are difficult or non-existent for Plumas Bank. Furthermore, the limited investment opportunities that are available have no relation to our assessment area nor are they consistent with Plumas Bank's philosophy of 'Local People Serving Local Needs'.

For these reasons, Plumas Bank fully supports the OTS proposal to permit financial institutions to determine their own weighting of the three-part CRA sub-test. This will allow financial institutions to identify and place emphasis in their areas of strength. Rather than penalizing institutions who have difficulty locating suitable CRA investments, those institutions will have better opportunity to be recognized for the strong lending practices and delivery of services that properly

serve the needs of their communities. With less emphasis on investments, institutions can direct more of their resources to meeting credit needs and providing services, which are the fundamental basis of the Community Reinvestment Act.

In addition, Plumas Bank favors the proposed clarification of "community development" to include rural areas. Expansion of this concept will allow institutions in rural areas more opportunity for recognition of community development activities under the CRA.

Plumas Bank appreciates this opportunity to voice our support of these proposed rulemaking changes in the CRA. Should you have questions or comments, please feel free to contact me.

Sincerely,



William E. Elliott
President & CEO
Plumas Bank

Cc: FDIC Chairman, Washington D.C.
FDIC Regional Director, San Francisco