

January 21, 2005

Regulation Comments  
Chief Counsel's Office  
Office of Thrift Supervision  
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Attention: No. 2004-53

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

Dear Sir or Madam:

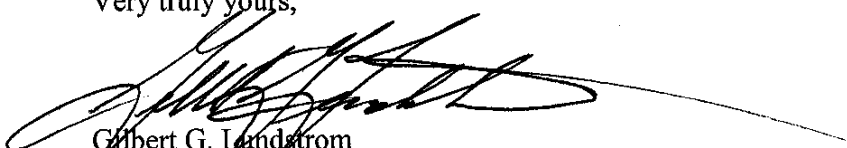
TierOne Bank wants to avail itself of the opportunity to comment on the proposal issued by the Office of Thrift Supervision that would provide additional flexibility to savings associations in meeting the requirements imposed by the Community Reinvestment Act. TierOne strongly supports the proposal to provide additional flexibility to the definition of "community development," and believes that this change is long overdue. We request that OTS proceed to adopt the proposal because we view it as real regulatory relief.

We meet the needs of our community everyday but the burden of meeting the requirements of the CRA regulation diminishes our ability to use the resources where they are most needed in our community. Permitting institutions to determine how best to allocate the time, financial support and human capital will help those in the community who need it the most—and all the bank regulators should recognize this.

The OTS's creative and innovative efforts would help us solve the conflict that sometimes arises in trying to comply with a regulation and yet meet the real needs of our community. Providing us the flexibility to determine how much weight should be assigned to the lending, investment and service tests will permit us to make choices involving our community that are based on what it needs, whether it is lending, investment or service, and not governed by goals that are established elsewhere.

Community banks are burdened by so many regulations that impact all aspects of operations, we need relief from the requirements that result in no benefit for our community or customers. This is a good step and we strongly support the OTS.

Very truly yours,



Gilbert G. Lundstrom  
Chairman & CEO