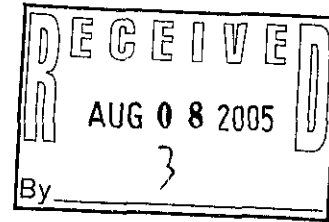


THE *First* NATIONAL BANK  
AND TRUST COMPANY OF NEWTOWN

40 South State Street • PO Box 158 • Newtown, PA 18940 • Phone 215-860-9100 • Fax 215-968-2930 • www fnbn com

August 2, 2005



Robert E. Feldman, Executive Secretary  
Attention Comments  
Federal Deposit Insurance Corporation  
550 17<sup>th</sup> Street, NW  
Washington, DC 20429

Re RIN 3064-AC91

Dear Sirs

First National Bank and Trust Company of Newtown is a \$644 million asset bank located in Southeastern Pennsylvania. We are not publicly traded and are not required to follow Section 404 of Sarbanes-Oxley, but are of course covered under Part 363 of FDICIA. We have been covered by Part 363 for the last four years and have seen our outside accounting fees increase dramatically over that four year period. We are wholeheartedly in favor of the proposal to raise the asset size threshold to \$1 billion. This will significantly decrease the cost of our outside accounting fees. We would like to see the \$1 billion be indexed in some way to allow for automatic adjustments in the threshold in the future.

The second part of the proposal concerns the audit committee. We currently have an audit committee made up of members independent of management. We support the changes you are proposing in theory however, we would like to see a definition or a list of things that would constitute a "reasonable good faith effort." This will allow examiners to be more fair in their treatment of all institutions.

Sincerely,

A handwritten signature in cursive script that reads "Mary Lou Schaffer".

Mary Lou Schaffer  
Executive Vice President

A handwritten signature in cursive script that reads "Henry C. Parry II".

Henry C. Parry II  
Vice President and Auditor