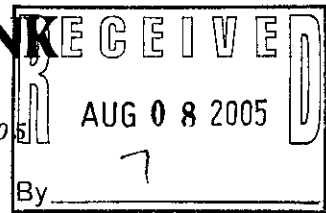




AMERICAN HERITAGE BANK

Celebrating **100 Years** 1905-2005

August 3, 2005



Federal Deposit Insurance Corporation
550 17th Street, N.W.
Washington, DC 20429-9990

RE: Comment on Proposed Amendment
To Part 363 of FDIC Regulations-
Annual Audit and Reporting Requirement

Dear Sirs,

This letter is to comment on the FDIC proposed amendment to the FDIC Annual Audit and Reporting Requirements, Part 363. American Heritage Bank ("AHB") of Sapulpa, Oklahoma is a community bank with \$480 million in total assets and 10 branch locations. Our Bank has 205 full-time equivalent employees and is 100 years old this year. AHB is a nonpublic company, privately-held, Subchapter S corporation bank. AHB is presently a well-capitalized bank with excellent regulatory ratings.

We are strongly in favor of the proposed amendment to raise the asset-size threshold from \$500 million to \$1 billion for requiring, (1) internal control assessments by management and attestations by external auditors, and (2) members of the audit committee, who must be outside directors, to be independent of management.

We completely agree with, promote, and have implemented, a strong system of sound internal controls throughout our Banking organization. Additionally, AHB has engaged an external auditing firm and obtained a full-scope, opinion audit of its financial statements for many years now. Considering these reasons and our excellent regulatory ratings, we strongly believe the \$500 million asset size requirement of Part 363 should be raised.

Over the past years, additional regulations have accumulated upon smaller financial institutions such as ours and this has created a very costly, regulatory-burdened environment. The cost of complying with many existing regulations is disproportionately more to smaller financial institutions such as ours. We estimate implementing the Part 363 internal control assessment and attestation by external auditors would cost our Bank approximately \$50,000 for the initial year, and then approximately \$25,000 each year thereafter. We believe these cost estimates may be on the low side of what the actual costs might be.

American Heritage Bank of Sapulpa, Oklahoma, and its' Board of Directors and Management, fully support the proposed amendment to raising the asset-size threshold from \$500 million to \$1 billion for requiring the, (1) internal control assessment by management and attestation by external auditors, and (2) members of the audit committee, who must be outside directors, to be independent of management.

Thank you for your consideration of this important matter.

Sincerely yours,

Officer

American Heritage Bank

Sapulpa, Oklahoma