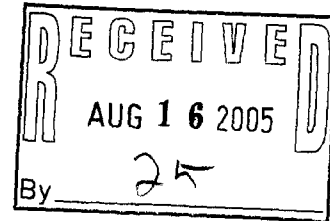


# VIRGINIA BANKERS ASSOCIATION

August 9, 2005

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



Re: RIN 3064-AC91 - Annual Independent Audits and Reporting Requirements

Dear Sir/Madam:


I am writing on behalf of the Virginia Bankers Association (the "VBA") to comment on the proposed rulemaking to raise the asset size threshold from \$500 million to \$1 billion for insured depository institutions subject to internal control assessments by management and external auditors and the requirement that all audit committee members be independent.

The VBA strongly supports this proposal and urges the FDIC to finalize it as soon as possible. Increasing the threshold from \$500 million to \$1 billion would appropriately reflect the effects of inflation and consolidation in the banking and thrift industry. Importantly, it would reduce burdens and costs on smaller insured depository institutions at a time when the overall regulatory burden they face could not be greater. Such a change would in no way compromise those institutions' safety and soundness.

We would urge the FDIC to adopt one small change to the proposal: the effective date of the new rule should be September 30, 2005, rather than December 31, 2005. Moving the effective date up three months would save significant money for those institutions that have fiscal year ends other than December 31, 2005. Such a change is consistent with the proposed goal of eliminating unnecessary burden and costs on insured depository institutions.

In sum, we applaud the FDIC for proposing this change and, again, urge its adoption, with the change described above.

Sincerely,

  
Walter C. Ayers  
President and CEO

WCA/sk