

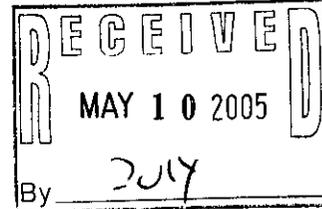


FRANKLIN SAVINGS BANK
Focused on the future — Proud of our past

387 Central Street
Franklin, New Hampshire 03235
Tel (603) 934-4445 • Fax (603) 934-7113
(800) FSB-4445 (In NH)
www.fsbnh.com

May 3, 2005

Mr Robert E Feldman
Executive Secretary
Federal Deposit Insurance Corporation
550 17th Street, NW
Washington, DC 20429



RE: CRA Regulations

Dear Mr. Feldman,

I am writing to express my appreciation for the opportunity to comment upon the recent proposed revisions to CRA regulations, while also wanting to express a few serious concerns.

There is little doubt that changes to existing CRA regulations are both relevant and timely. Small community banks, such as Franklin Savings Bank struggle under the weight of the regulatory framework each and every day. For this reason, I appreciate the effort being made to reduce the CRA burden for small banks – most of whom are already considered the pillars of their communities.

One of the concerns I have is the new definition of “community development”, and how this will apply to intermediate small banks. Both the banking industry and the examiners need time and specific guidance to ensure consistency in the examination process and thus fairness to each and every bank examined. This appears unlikely in the near term given the fact that important matters such as providing a clear definition of “rural” still remain to be addressed.

I also have concerns regarding the weighting of this new community development test. As it is currently proposed, a bank would be required to achieve a satisfactory rating on the community development test to receive a satisfactory CRA rating overall. This appears problematic given all the uncertainties and inconsistencies that will exist for a period of time once the final regulations are implemented.

I would also like to express my opinion that small community banks simply need relief from the regulatory burden that exists today. I would like to suggest that the streamlined small bank CRA examination be utilized for institutions under \$500 million and that an intermediate small bank test be utilized for institutions between \$500 million and \$1 billion. This would truly provide relief to the largest number of banks across the country. Again, many of whom already serve the needs of their communities because it is their mission and vision to do so.

Sincerely,

Ronald L. Magoon
SVP, COO and Treasurer

CC: Paul Smith, American Bankers Association
Daniel Frye, Federal Deposit Insurance Corporation
Gerald Little, New Hampshire Bankers Association