

**From:** Roy Harmon [mailto:rharmon@bankoftennessee.com]  
**Sent:** Tuesday, May 10, 2005 12:07 PM  
**To:** Comments  
**Subject:** RIN No. 3064-AC89 - CRA Regulations.

Ladies and Gentlemen:

Thank you for receiving my comments on the proposed regulator relief for banks between \$250 million and \$1 billion. Bank of Tennessee has assets of around \$500 million as of March 31, 2005. As a community focused bank we have not had any trouble with the lending and service aspects of our CRA examination. We are committed to meeting the credit needs of our primary service areas and we do that effectively.

We have difficulty with the investment component of the regulations as finding qualified investments that benefit our service area is difficult to impossible. We could make qualifying investments that benefit other communities, but in our effort to comply with the spirit, we want to make investments into our area. For the few qualified securities that arise, we have to compete with the large banks that are able to beat us on price or they underwrite deals that are too large for us.

Bank of Tennessee will remain a community based bank for years to come. Even if the limit is raised we will still seek out investments other than loans to help our communities. We want to improve our schools, elderly housing and all the other public needs that exist. We don't have any problem with the spirit or intent of CRA and have specialists on staff that make sure we comply with the letter of the regulations also.

The burden of increased compliance with BSA, etc is expensive in terms of both dollars and effort. I do not think that granting relief from the investment component will weaken the protections for the consumer nor our focus on serving our community effectively.

Sincerely

**Roy L. Harmon, Jr.**

Chairman  
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