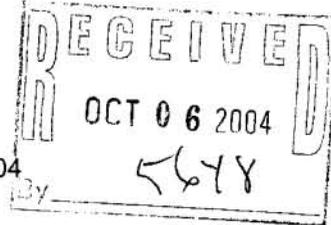




Independent Bankers Association of New York State

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September 28, 2004

Mr. Robert Feldman
Executive Secretary
Attention: Comments/Legal
Federal Deposit Insurance Corporation
550 17th Street, NW
Washington, DC 20429

RE: Rin Number 3064-ACSO

This letter is submitted on behalf of the Independent Bankers Association of New York State, in strong support of the FDIC proposal to increase the threshold for the streamlined small-bank CRA examination to \$1 billion without regard to the size of the bank's holding company.

This proposal recognizes that community banks meet community needs through reinvestment in their community. Smaller institutions would be relieved from burdensome regulatory requirements. The application of the same CRA requirements to small community banks as one imposed on the nation's largest financial institutions does not recognize marketplace reality for financial institutions.

Inclusion of the community development criterion to the small bank examination for larger community banks is a positive test and more appropriate than the large bank investment test. We would urge however that the FDIC should adopt its original \$500 million threshold without the community development criterion. This new criterion should be applied only to banks greater than \$500 million up to \$1 billion.

Under the current CRA exam for large banks, the definition of "qualified investments" is too limited and it is extremely difficult for small banks to find appropriate CRA qualified investments in their communities.

Community banks are under increasing pressure to meet additional regulatory and reporting burdens. Survival of community banks as financial service providers becomes more difficult. It is important for regulators to recognize and preserve the unique role and mission of community banks in the financial services marketplace.

Your affirmative action in adoption of the pending regulation is urgently requested.

Thank you for considering the collective view of the member banks of the Independent Bankers Association of New York State.

Sincerely,

William Y. Crowell, III
Executive Director