

April 1, 2004

Ms Jennifer J. Johnson
Secretary
Board of Governors of
the Federal Reserve System
20th & Constitution Avenue, NW
Washington, D.C. 20551
Docket No. R-1181

Ms. Leneta G. Gregorie
Legal Division
Room MB-3082
Federal Deposit Insurance Corporation
550 17th Street, NW
Washington, D.C. 20429
Attention: Comments/Executive Secretary

Public Information Room
Office of the Comptroller of the Currency
250 E Street, SW, Mail Stop 1-5
Washington, D.C. 20219
Docket No. 04-06

RE: Proposed Rules - Community Reinvestment Act Regulations

Dear **Sirs** and Madams:

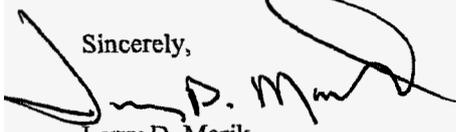
First National **Bank** appreciates the opportunity to comment to the Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, and the Office of the Comptroller of the Currency on the proposed amendments to the Community Reinvestment Act.

First National Bank has over \$390 million in assets and 2 branch offices in **Columbus** and **Norfolk**, Nebraska. First National **Bank** is **majority** owned by First National of Nebraska, a Nebraska-based interstate financial holding company. First National of Nebraska controls twelve bank charters and managed assets of over \$14 billion.

First National Bank strongly endorses the agencies' proposal to amend the definition of "small institution" to mean **an** institution with total assets of less **than** \$500 million, without regard to **any** holding company assets. We agree **with** the agencies that this change will reduce unwarranted burden on small institutions such as ours. **As** the agencies note in the **joint** notice of proposed rulemaking, there have been significant changes in the marketplace since this regulation **was** adopted in 1995. Raising the threshold from \$250 million to \$500 million recognizes the substantial asset growth that has occurred. **It** also recognizes that banks should be **evaluated** against their peers and not banks hundreds of times their size. Eliminating the reference to the institutions' holding companies recognizes the reality **at** affiliation with a holding company does not relieve the regulatory burden imposed on small institutions classified as large institutions due to the holding company's asset size. **As** a small **bank** subsidiary of a holding company, we have, at times, struggled with the burden of large bank status and the regulatory requirements **of that** status. The **streamlined** "small bank" test, while substantially less burdensome, continues to provide adequate information to determine whether an institution **is** meeting the credit needs of its entire community, including low- and moderate-income communities, consistent **with** safe and **sound** lending practices.

If you have any questions, please do not hesitate to contact me at 1-800-456-7735.

Sincerely,



Larry D. Marik
President

LDM.sr