

WASHINGTON COUNTY BANK

100
years

Celebrating a century of excellence!

April 7, 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

Re: Proposed Rules – Community Reinvestment Act Regulations

Dear **Sirs** and Madams:

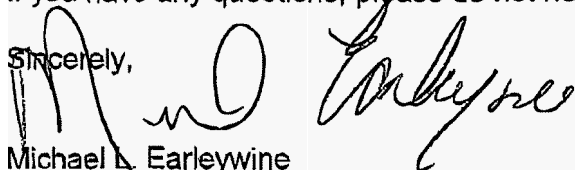
Washington County Bank appreciates the opportunity to comment to the **Board** of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, and the Office of the Comptroller of the Currency on the proposed amendments to the Community Reinvestment **Act**.

Washington County Bank has over **\$175** million in assets. Washington County Bank is majority owned by Lauritzen Corporation, a Nebraska-based interstate financial holding company. Lauritzen Corporation controls ten bank charters and has total **assets** of approximately \$1.50 billion.

Washington County **Bank** strongly endorses the agencies' proposal to amend the definition of "small institution" to mean an institution with total assets of less than \$560 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 that 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 **402-426-2111**.

Sincerely,



Michael L. Earleywine
President