



April 6, 2004

Ms. Jennifer J. Johnson
Secretary
1-5
Board of Governors of the
Federal Reserve System
20th Street and Constitution Ave., N.W.
Washington, D.C. 20551

Robert E. Feldman
Executive Secretary
Attention: Comments/OES
Federal Deposit Insurance Corporation
550 17th Street, N.W.
Washington, D.C. 20429

RE Docket No. R-1151; Joint Agency Proposed Rule Making Regarding CRA

Dear Ms. Johnson and Mr. Feldman:

Please accept this comment letter on behalf of BancorpSouth, Inc. and its one bank subsidiary, BancorpSouth Bank. We appreciate the opportunity to comment upon the joint agency proposal dealing with CRA and by this letter do so comment to the two of you, as representatives of our primary regulators.

As a \$10 billion asset institution, we offer no particular comment on the proposed amendment to the "small institution" definition other than to suggest, not in the nature of rulemaking, but for guidance to examiners, that if the change is made, such be taken into account for an acquisition by a large institution of a "small institution" who might not have otherwise been under the broader and more stringent CRA regulations for larger institutions. For example, a small community bank may need a significant amount of time, sometimes two years or so, to be appropriately trained and to assimilate their practices into an overall large institution category. Beyond such, we offer no specific comment on this aspect of the proposal.

We do however comment specifically on the proposal to include predatory lending issues as part of CRA examinations. Rest assured that BancorpSouth firmly supports the objectives of the CRA regulations. With these objectives in mind, we respectfully cannot support including predatory lending as part of CRA examinations. We respectfully submit that such issues are already taken into account in fair lending examinations and in other contexts, for example, the significantly broad guidance recently issued for unfair and deceptive trade practices by FDIC and the Federal Reserve under section 5 of the FTC.

BancorpSouth supports a consistent and definitive standard for anti-predatory lending, readily defined, that protects not only borrowers, but lenders. We believe however that the proposed rule places an unnecessary burden on financial institutions without providing corresponding benefits to borrowers because existing regulations already insure that discriminatory credit practices will be considered in fair lending examinations.

As is the case with concern over the recently issued guidance for unfair and deceptive trade practices via the FTC, the proposal related to effecting a CRA rating for specified "abusive" practices does not provide appropriate guidance to an institution. The vague concept of "abusive" appears to add an additional component to CRA examinations which would otherwise duplicate the existing regulations that already provide that evidence of discriminatory practices may adversely effect an institution's rating. Indeed, in many ways, CRA and fair lending overlap, but from a burden standpoint, the equivalent of two examinations effecting both fair lending ratings and/or CRA ratings appears to be repetitive and is respectfully submitted to be unnecessary.

In conclusion, while confirming our comment to the two specific matters currently being proposed, candidly, representatives of BancorpSouth were expecting much broader efforts to update CRA based upon the advanced notice of proposed rulemaking from which BancorpSouth had hoped would address many areas of CRA which remain problematic. However, the current proposal is narrowly drawn, thus this narrow response. We indeed expect to be held accountable for our performance but likewise appreciate the opportunity to opine that reduced regulatory burden for institutions should have equal standing and merit.

Respectfully submitted,

A handwritten signature in black ink that reads "Monica Aldridge". The signature is written in a cursive, flowing style.

Monica Aldridge, Compliance Officer