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To: comments@fdic.gov; regs.comments@occ.treas.gov; info@icba.org
Cc: regs.comments@federalreserve.gov
Subject: CRA exams

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Gentlemen:

I am the president of First Pryority Bank, a \$125MM former national bank, and I am also president of our bank Holding company, First Pryor Bancorp, Inc which owns 100% control of Bank of Locust Grove, a \$30MM bank and Lakeside Bank of Salina, a \$25MM bank. All banks are Oklahoma based. We are obviously small banks in the national scheme of things. Our town sizes respectively are approximately 10,000 for Pryor, 1500 for Salina and 2000 for Locust Grove. All banks are centered in the Cherokee nation and in Salina and Locust Grove the majority of the population is estimated to be of Cherokee Indian extract. Pryor is estimated to be about a third of Cherokee Indian extract. Every customer or potential customer is extremely important to us regardless of religion, national origin or skin color. Many of the three towns citizens are relatively poor by state and national standards, particularly, Salina and Locust Grove citizens. If we ever discriminated against anyone it would rapidly spread through the communities. It is my understanding that the genesis of the origin of CRA was to prevent banks from discriminating against any group. All three banks contibute extensively to almost all fund raisers, charities, public events and other fund raisers in their respective towns.

In my opinion, it is inherently unfair for us to have to comply with the same CRA rules as giant banks in giant cities . We have only a small number of employees in our three banks and we do not have the luxury or giant banks that can assign an employee to one specific regulation or law. Big banks in large cities can pick and choose their customer base and we can not and will not do that.

The examination process, in its current form for CRA is burdensome and costly for small banks. ~~Try as we might, it seems to be impossible for our~~ banks to get an outstanding rating in CRA. As to our assessment area, it is impossible to designate ow to moderate income areas in Salina and Locust grove when 100% of both towns fit that definitiion. Even in Pryor, the majority of the town, by national standards, would be considered low to moderate income even though about a third of the town has nice homes. In the investment test of CRA, it is difficult to find investments that qualify for CRA.

I would suggest that banks should be rated and evaluated based upon their peer group average and not by comparing small banks against banks that have

armies of people that can be assigned to one specific area such as CRA.

The simple fact is that in small communities, banks need every customer that they can find, whether they be rich or poor, black, yellow, red or white and it is highly unlikely in small towns that there is any need of CRA

exams. Small town bankers support their towns in many forms, primarily financial, and there is no need for the CRA because it existed long before the statute was enacted except that it was not called CRA.

Mike Jacobs
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