



Wauchula State Bank

Established 1929

October 17, 2001

198

Regulation Comments
Chief Counsel's Office
Office of Thrift Supervision
1700 G. Street, NW
Washington, DC 20552

RE: Comments on CRA Regulations

Dear Sirs,

We would like to take this opportunity to comment on existing CRA regulations, as you and your staff consider possible changes.

Wauchula State Bank is a commercial bank located in a rural area of Central Florida. The bank has total assets of \$325 million as of September 30, 2001. It is a privately held institution that was founded in 1929.

The current CRA regulations are burdensome to the bank due to the reporting requirements and due to the lack of available qualified investments. We support increasing the small bank cut off size to at least \$1 billion.

The industry has changed drastically since 1995 when the current size limits were put into place. Interstate banking and merger activity has increased the size and geographic expansion of individual companies. Since 1995, banks have grown into entities that spread from coast-to-coast and that have assets in the hundreds of billions. It's simply not fair to assess a \$500 million or \$1 billion bank using the same standards as are used for mega banks. We would like to be evaluated against our peers and not against monolithic enterprises hundreds of times our size.

The investment test is particularly burdensome for banks our size. It is difficult to find qualified investments in rural areas. In addition, if and when they come available, the competition is such that larger banks are generally the successful bidders.

The reporting requirements for large banks are also burdensome. Wauchula State Bank is committed to farm and commercial lending as reflected in our call report. However, the additional reporting necessary as a large bank is very expensive.

We support increasing the size of banks eligible for the streamlined CRA exam to in excess of \$1 billion.

www.wauchulastatebank.com

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Wauchula, FL 33873
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P. O. Box 996
Zolfo Springs, FL 33890
18421 773 0700

4821 U.S. Highway 17 N.
P. O. Box 880
Bowling Green, FL 33834
18421 773 0200

102 E. Interlake Boulevard
P. O. Box 1045
Lake Placid, FL 33862
18421 773 0200

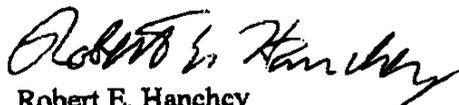
One Ryant Boulevard (at US 275)
P. O. Box 3506
Sebring, FL 33871

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Please accept these suggestions in the spirit in which they are offered.

If you have any questions, feel free to contact me at 863-773-4151 extension 212.

Sincerely,



Robert E. Hanchey
President

Cc: J.W. Crews Jr.