

# **M C BANK & TRUST COMPANY**

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**985-384-2100**

April 5, 2006

Robert E. Feldman  
Executive Secretary  
Attention: Comments  
Federal Deposit Insurance Corporation  
550 17<sup>th</sup> Street, NW  
Washington, DC 20429  
[comments@FDIC.gov](mailto:comments@FDIC.gov)

Dear Mr. Feldman:

Re: Guidance on Commercial Real Estate lending concentrations

As a community bank we depend on commercial real estate often as a major source of our primary and secondary collateral. Our institution, a commercial bank with approximately \$220 million in assets, depends on commercial real estate loans for a large segment of our commercial portfolio.

Although it appears that the proposed Guidance is meant to focus on a few institutions, the way it is written suggests that examiners are to apply the Guidance with greater intensity to "all" institutions, not just the ones that prompted the regulatory agencies to develop this Guidance. The requirements set forth in your Guidance, as it appears, will give us a great deal more work than we are currently undertaking. We have been spread fairly thin with all of the regulatory requirements placed on us and now this Guidance will complicate matters even further.

The amount of information that examiners will be requesting will add a great deal to the burden we currently face with regulations. I sincerely feel that applying the Guidance to all banks is too much and should be directed to those banks that have problems managing the risk management in their own loan portfolios, whatever the concentration may be.

M C Bank has been faced with increased competition by larger banks moving into our area and the ever increasing presence of mortgage loan companies. Because of the inability to compete with some of these larger companies in the area of rates or risk tolerance levels the commercial real estate part of our portfolio has been a natural way to

increase our loans and help our local communities and small businesses grow. Many of the small business commercial real estate loans that we make are the same ones that the larger regional and national banks don't want to handle.

As local, community banks, our knowledge of the communities our loan officers and employees live in gives us an advantage over the larger regional and national banks. Imposing stricter guidelines in the area of commercial real estate will simply increase our cost of doing business instead of addressing the problem at hand.

Please reconsider this Guidance and limit its application. We do an excellent job for our communities with commercial real estate lending being a prime part of our loan portfolios. Help us to help ourselves and our communities in the area of commercial real estate lending and allow our communities to continue to grow while not burdening us with additional paper work. We know our customers; we know our communities; and we know how to make good loans secured by commercial real estate.

I encourage you to pay particular attention to the detailed letter sent to you by the American Bankers Association. Their letter provides a great deal of detail that you and the other regulators should consider. As a community bank president I concur with their letter.

Sincerely,

*s/Larry J. Callais*

Larry J. Callais  
President & C.E.O.