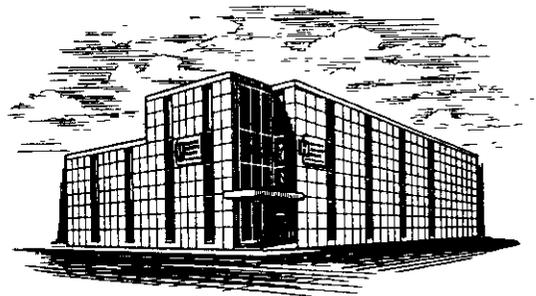
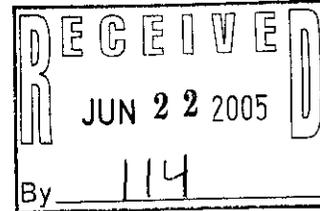


HOLMES COUNTY
BANK AND TRUST COMPANY
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HOLT SMITH
CHAIRMAN & CEO
& TRUST OFFICER



June 15, 2005

Mr. Robert E. Feldman, Executive Secretary
Federal Deposit Insurance Company
550 17th Street, NW
Washington, DC 20429

Re: Proposed change in loan classification methodology

Dear Mr. Feldman:

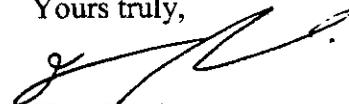
I want to let you know that I am opposed to the above mentioned plan to change the methodology of the loan classification.

Everyone in the banking industry is familiar with the present classifications, and these classifications have served the industry well for these many years.

Any change in the methodology will only confuse the issue and is not needed at this time.

Small banks are already overloaded by regulators applying regulations across the board to all banks. This proposed change might make some sense for a mega-bank, but would cause a major upheaval at smaller banks under \$1,000M.

Yours truly,



Holt Smith

