



June 27, 2005

Mr. Robert E. Feldman, Executive Secretary
Attention: Comments (Docket Number OP-1227)
Federal Deposit Insurance Corporation
550 17th Street, NW.
Washington, DC 20429

Dear Mr. Feldman:

I have recently reviewed the Interagency Proposal on the Classification of Commercial Credit Exposures. I believe the proposal fails to effectively distinguish the credit administration and risk identification policies and procedures between small/ medium sized financial institutions as compared to larger, complex banking organizations.

It is my opinion that the time and expense required to modify internal bank policies, train staff and the ongoing administration of a somewhat confusing two-tiered system far outweigh the anticipated benefits to regulators and small/ medium sized financial institutions. Having participated in several examinations, it has been my experience that the current classification system is well understood by both regulators and bankers. It is common for the senior management of small/ medium sized institutions to routinely review classified and/or larger credits on an individual basis. These reviews include an analysis of all aspects of the credit relationship: management, debt capacity, debt service coverage, collateral, etc. These are essentially the same factors discussed in the proposal.

The regulatory burdens being placed on community banks continues to expand. While the vast majority of these institutions make a diligent effort to comply with these regulations, a one-size-fits-all regulation such as this proposal places a disproportionate and unnecessary burden on community banks.

Please reconsider the implementation of this regulation; at the very least a modification of the regulation to exempt small and medium sized institutions from this regulation should be considered.

Yours truly,.

Handwritten signature of Jeffrey Meyer

Jeffrey Meyer
Pres. & CEO

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