

November 25, 2009

Robert E. Feldman
Executive Secretary
Attention: Comments
Federal Deposit Insurance Corporation
550 17th Street, NW., Washington, DC 20429

Via Email: comments@fdic.gov

RE: Proposed Guidance on Correspondent Concentration Risks

This letter is in response to the request for comment on the Proposed Interagency Guidance on Correspondent Concentration Risk.

Guaranty Bank and Trust Company of Delhi is a community bank comprised of approximately \$125 million in assets. Our main office is located in Delhi, Louisiana. Given our size, we rely on the support and services we receive from the correspondent banking relationship we have with First National Bankers Bank in Baton Rouge, Louisiana. This correspondent provides support and services that are critical to our survival and our ability to compete effectively with larger regional and money center institutions that are in our market.

While we support the establishment of additional regulatory guidance on managing correspondent concentration risks, we are concerned over the potential for disparity in how the implied concentration limitation as a percentage of capital referenced in the proposed guidance may be interpreted by field examination staff. We recognize that credit exposures of 25% or more of capital to any one correspondent are generally considered as a concentration by the regulators, but as Regulation F is currently written there is no limitation on exposure to any one correspondent if that institution is at least adequately capitalized. If the final guidance will contain any specific internal thresholds or benchmarks for correspondent credit exposure other than what is stated in Regulation F, we recommend that a concentration threshold be more appropriately set at 50% of a respondent bank's Tier 1 capital when the correspondent is Adequately Capitalized, and no specific limit when the correspondent is Well Capitalized. Such a modification would appear to be in line with the perceived intent of Reg F in establishing heightened correspondent risk management measures commensurate with the financial condition of the correspondent.

We appreciate the opportunity to respond to the Proposed Interagency Guidance for Correspondent Concentration Risk and thank you for your consideration of our comments.

Sincerely,

Albert C. Christman
President and
Chief Executive Officer