

**From:** Don Reynolds [mailto:DonR@regionalmissouri.com]  
**Sent:** Tuesday, November 24, 2009 4:17 PM  
**To:** Comments  
**Subject:** Proposed Guidance-Correspondent Concentration Risk

Mr. Robert E. Feldman  
Executive Secretary  
Federal Deposit Insurance Corporation  
550 17<sup>th</sup> Street NW  
Washington DC 20429

Dear Mr. Feldman:

This is being submitted as a response to the request for comment on the Proposed Guidance addressing Correspondent Concentration Risk. Regional Missouri Bank is a community bank with approximately \$110 million in assets, located in Marceline, Missouri. For a number of reasons we rely heavily on the services and support provided to us by Midwest Independent Bank, our Bankers Bank. Most of these relationships are critical to our bank and have become central to our daily operations. Disruptions to these relationships would severely hurt our ability to serve our customers.

Many of the other institutions providing correspondent banking services in our area are direct competitors to this bank, most of the others are at best indirect competitors. We being a small bank have limits to our abilities to lend to one customer. These limits are less than the legitimate credit needs of some of our borrowing customers. We know and trust the officers and directors of our banker's bank and prefer to place these over lines with it rather than a correspondent bank which may have offices in this area, and may or may not be interested in a long term relationship.

We understand and appreciate the concept of effectively monitoring and managing risks related to correspondent bank relationships. Regulation F has successfully guided us in the past. A 25% limitation will create a hardship for our organization. We encourage you to consider a 50% threshold if both parties are well capitalized.

We not only sell parts of our larger loans to our bankers bank but on occasion we purchase participations in loans originated by other community banks in other trade territories. This practice affords us the ability to both enhance and diversify our loan portfolio. Should we purchase a participation in a credit generated by another bank, we conduct our own review and investigation of the credit prior to making the purchase. We have never felt nor would we accept pressure from our banker's bank to purchase part of these credits. Since we approve the purchase of these loan participations independently from our correspondent, and the credit exposure is with the borrower, not the correspondent, we do not think that these loans should be included in the calculation of exposure to the participation. Should the participation be purchased recourse this would be different.

We at Regional Missouri Bank appreciate the opportunity to comment on this important matter. We ask that you and other regulators not create additional red tape and restrictions if the risk can be controlled otherwise.

Sincerely,

Don Reynolds  
President  
Regional Missouri Bank