March 6, 2006

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

E-Mail: Comments@FDIC.gov

Attention. Comments

RE: Office of the Comptroller of the Currency Docket # 06-01
Response to the Proposed Guidance on Concentrations in Commercial Real Estate Lending, Sound Risk Management Practices.

While the bank fully understands the rational for increased regulatory supervision of the current real estate lending practices, the guidance as proposed will only add more regulatory burden and increase the cost of compliance. This cost will ultimately be passed onto our borrowers. In addition it will place the covered institutions at a competitive disadvantage in relation to those institutions and lenders that are not covered by the guidance. Establishing real estate loan concentration limits, requiring additional capital, and enhanced credit risk management practices will only promote a reluctance to meet the credit needs of the borrowers and communities in which the covered institutions operate.

As noted within the proposal, nearly all of the commentary is already included within the existing real estate lending guidelines and regulations. The purported intent to reinforce the existing guidelines does little to preclude bank failures and instability in the banking system. Alternatively, stronger enforcement of the existing guidelines would do more to promote a stable banking system versus establishment of redundant and excessive guidelines.

While many of the guidelines are already adopted and in practice at our bank, the additional requirements in the areas of risk assessment, monitoring CRE loans, and identifying and managing concentrations will require a sophisticated management information system and additional human resources that are both cost prohibitive and in some instances unavailable. Given that the current risk management practices are adequate, we do not see the need to implement additional practices given the current management and characteristics of our real estate loan portfolios

The implementation of the guidance requirements would create a significant impact for this community bank. While large institutions may already have the infrastructure and management information systems in place, implementation for a community bank can not be accomplished in a cost effective and timely manner. It is our position, if the proposed guidance is adopted, that all community banks be excluded or at the very least an exempt asset or CRE loan level be established. For example banks with total assets less than $1 billion or CRE loans less than $500 million would not be covered by the proposed guidance.

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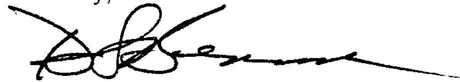
Our bank is not interested in taking excessive risk and has taken additional steps to appropriately underwrite risks for the protection of our stack holders These steps include:

- Looking for secondary sources of repayment.
- Maintaining loan-to-value discipline & requiring developers to have equity at risk
- We've assembled a panel of experts to advise Senior Management and our Directors on development risks and economic forecasts.
- We've maintained a strong Loan Loss Provision/Reserve
- We carefully review the qualification/track record of developers. (No amateurs allowed)
- We've analyzed "rate shock", concentrations of risk by borrower, area and loan type, etc

In summary our bank, like most banks, is acting responsibly without the burden of additional regulation to do the right thing to limit risk for all of our stake holders.

Thank you, for taking our input on this important topic.

Sincerely,



Dennis Beams, EVP Chief Credit Officer

tnh