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March 10, 2006

Robert E. Feldman, Executive Secretary
ATTN: Comment/Legal ESS
Federal Deposit Insurance Corporation
550 17th Street, NW
Washington, DC 20429

Re: Commercial Real Estate (CRE) Lending, Risk Management Practices

Dear Mr. Feldman:

On behalf of the South Adams Savings Bank, we wish to object to the Proposed Interagency Guidance relating to sound risk-management practices for concentrations in commercial real estate lending as unnecessary and subjective.

Commercial real estate lending is a vital component of this Bank's lending program as well the lending programs of many community banks. Including all types of commercial real estate lending in the "test" is simply unrealistic. Any guidance that imposes arbitrary threshold tests, without regard to the actual risk factors involved, could lead to a change in bank lending policy that may prove detrimental to the community we serve.

We believe no Agency should have the discretion to arbitrarily require a bank to increase capital simply because it has a concentration in commercial real estate loans. Appropriate capital levels should be determined based on a thorough analysis of the individual institution. Any requirement for a bank to hold extra capital should be imposed by regulation in the "risk based capital" rules currently under consideration.

Thank you.

Sincerely,

Charles P. O'Brien
President
Chief Executive Officer

William I. Wheelock, Jr.
Senior Vice President
Chief Lending Officer

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