



Filed via E-mail

April 13, 2006

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

Regulation Comments
Chief Counsel's Office
Office of Thrift Supervision
1700 G Street, NW
Washington, DC 20552
Attention: No 2005-56
Regs.comments@ots.treas.gov

Jennifer J. Johnson, Secretary
Board of Governors of the Federal
Reserve System
20th Street & Constitution Avenue, NW
Washington, DC 20551
Regs.comments@federalreserve.gov

Office of the Comptroller of the Currency
250 E Street, SW, Mail Stop 1-5
Washington, DC 20219
Regs.comments@occ.treas.gov

RE: **FDIC** (No docket ID); **FRB** Docket No. OP-1246; **OCC** Docket No. 05-21; **OTS** Docket No. 2006-01; **Proposed Interagency Guidance on Concentrations in Commercial Real Estate**; 71 Federal Register 2302; January 13, 2006.

Dear federal financial institutions regulators:

Your agencies proposed Interagency Guidance that would increase risk management by banks and savings associations deemed to have a concentration in real estate ("CRE").

The Pennsylvania Bankers Association ("PBA") consists of over 200 banks, savings banks, savings associations, bank and trust companies, trust companies and their affiliates with operations in the Commonwealth of Pennsylvania.

Many PBA members have re-invested in their communities via commercial real estate lending and a number have expressed concern about the potential, unintended, adverse consequences of this proposed guidance. We urge that it not be issued in its current form.

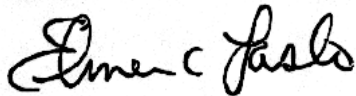
In recommending against the publication of this guidance in its current form, PBA is not advocating lessening the emphasis on strong supervisory oversight of commercial lending risk. Instead, we seek to avoid potential banker and examiner confusion and commercial real estate disruption that we believe the guidance, in its current form, could cause.

PBA urges you to review and heed the American Bankers Association's thorough and thoughtful comments, recommendations and analysis of your proposed guidance. (*ABA's letter was submitted via email on March 30, 2006*).

Sincerely,



Donald E. Abrey
PBA Chairman
President and Chief Executive Officer
Peoples State Bank of Wyalusing



Elmer C. Laslo
PBA 1st Vice Chairman
President and Chief Executive Officer
1st Summit Bank



J. Roger Moyer, Jr.
PBA 2nd Vice Chairman
President and Chief Executive Officer
Sterling Financial Corporation



David E. Zuern
PBA Past Chairman
Executive Vice President
Sovereign Bancorp, Inc.



Robert A. Rupel
Government Relations Policy Committee Chairman
Chairman, President and Chief Executive Officer
Lafayette Ambassador Bank