



from the desk of

Thomas F. Lyons
President & CEO

April 10, 2006

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

Dear Mr. Feldman:

This letter is in response to the request for public comment on the proposed guidance entitled "Concentrations in Commercial Real Estate Lending, Sound Risk Management Practices". As a community banker, I am concerned about the ramifications of the proposal on community banks and local economies.

For reference, I am President and CEO of Fall River Five Cents Savings Bank, which uses the trade style, BankFive. We are a mutual organization with an asset size of about \$570 million. BankFive has nine branches that service greater Fall River and New Bedford, two economically distressed cities.

Fall River is a former textile manufacturing city which over the past 30 years has struggled to diversify its employment base. New Bedford also had large textile manufacturing base, but has historically been known for another industry which also faces a variety of challenges, its fishing fleet and fish processing facilities. Both cities historically have unemployment rates above the national and state averages.

We are concerned about the impact the proposed guidance will have on our mutually organized bank, other community banks and the communities which we serve. We feel that additional reporting and oversight is unnecessary.

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- As a community bank, BankFive is relied upon in the greater Fall River and New Bedford areas to provide commercial real estate loans to support the economic revitalization, to support the demand for residential development and to compliment C&I lending provided to our borrowers. Like similar financial institutions, BankFive is a source of credit to small and medium sized businesses that are overlooked by large, commercial banks.
- As a mutual organization, BankFive relies on its profits for capital growth. Increased capital levels for banks with CRE concentrations, as defined by the proposal, could force BankFive and the many other mutual organizations in Massachusetts to reduce their levels of high earning assets.
- As a community bank, our commercial lenders, our loan review and credit analysis staff, senior management and our board of directors know our market and our borrowers. We do not lend out of market unless it is through a participation arrangement with a lead bank in which we have confidence. We have a detailed and conservative commercial credit policy and the internal control structure to ensure compliance.
- Our Board of Directors is well educated. I am one of five directors who serve on our Executive Committee which approves all credits over \$1 million. The Executive Committee is kept informed of the status of our commercial loan and mortgage portfolio with extensive monthly reporting provided by our independent loan review staff.

We hope these comments provide you with new insights as to what we deem are unnecessary, additional regulatory oversight and administrative burden.

Sincerely,


Thomas F. Lyons
President & CEO

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