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By

April 12, 2006

Robert E. Feldman
Executive Secretary
Attn: Comments FDIC
550 17th Street, NW
Washington, DC 20429

RE: Proposed guidance – Concentrations in CRE Lending

Dear Mr. Feldman:

We are a community bank located in Marengo, Illinois. We would like to take this opportunity to comment on the proposed guidance, Concentrations in Commercial Real Estate Lending, Sound Risk Management Practices.

As a small community bank we are actively involved in banking organizations that include banks similar to ours. We have found that the majority of community banks underwrite their CRE loans on a conservative basis. As a community banker we are close to our customers and as such we have strong financial and industry insight regarding our borrowers. Prairie Community Bank employs 25 employees of which 24 live in the immediate area. 17 of our employees graduated from the local community high school. We know and understand our market.

Small community banks already follow the existing real estate lending standards, regulations and guidelines. We feel the examiners currently have the necessary tools to enforce these regulations and the proposed guidance is unnecessary. The regulators should address CRE management bank by bank not industry wide.

The proposed limits of CRE loans to capital are too restrictive and do not take into account the lending and risk management practices of individual financial institutions. They also do not recognize the different segments within the CRE markets and the various levels of risk associated with these segments. The regulators should consider the bank's allowance for loan losses and current capital levels along with the risk management practices of the institution.

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The proposed guidance creates an unfair burden for community banks. We do not have the same opportunity to raise capital and diversify our portfolio to the extent a larger regional bank can. Our portfolio consists of the industries and small businesses found within our community. We are located in a rapidly growing county and development is currently a key component found within our portfolio.

Small community banks are already struggling with the cost of compliance and the proposal's recommendation regarding management information system reporting will add to this burden. We believe minimal benefit is derived from the additional cost.

This guidance will directly affect our ability as a lender to meet the needs of our community and it will also affect our profitability. Commercial real estate loans generate higher interest rates than consumer real estate and if we reduce the level of CRE interest income will be adversely affected.

We ask that you please reconsider the proposed guidance in light of the significant risk differences between large regional banks and locally focused community banks. Thank you for your consideration.

Sincerely,

Albert G Hicks

Albert G. Hicks
Director
Chairman of Audit Committee

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