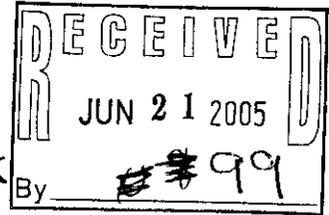




Highlands Community Bank

P.O. Box 1059
Covington, VA 24426
(540) 962-2265; FAX (540) 962-1203



June 9, 2005

Mr. Robert E. Feldman
Executive Secretary
Attention: Comments
Federal Deposit Insurance Corp.
550 17th Street N.W.
Washington, DC. 20429

RE: Fil-22-2005
Subject: Proposed Classification of
Commercial Credit Exposures
Document #OP-1227

Dear Mr. Feldman:

As a "Community Banker," I feel the proposed change in the classification of commercial loan rating system to be unwarranted, cumbersome, costly, and would add no appreciable benefit in managing commercial asset risk.

The current system, which is well proven and a known entity to both bankers and regulators, addresses the borrowers ability to repay and collateral values in determining potential loss exposure. The current rating system merges well with our analysis for allowance for loan loss where both "dimensions" are accounted for and the provision is adjusted accordingly.

The continuing trend of over regulation has a detrimental effect on all banks, but especially community banks. We are currently devoting an inordinate amount of time, talent and resources that have nothing to do with our mission statement.

Sincerely,

Handwritten signature of John J. Williams

John J. Williams
Vice President

Note: The term "Facility Rating" should be left to service station bathroom inspections.