COMMUNITY BANK & TRUST OF FLORIDA

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February 28, 2006

Robert E. Feldman
Federal Deposit Insurance Corporation
550 17th Street NW
Washington, DC 20429

Re: Proposed Guidance for Commercial Real Estate Lending

Dear Robert Feldman:

The proposed guidance will be a burden on our institution and will affect the Commercial Real Estate market. We feel that additional reporting and/or oversight is unnecessary:

- Community Bank & Trust already tracks concentrations in CRE and all other loan types. These concentrations, as well as underwriting exceptions, supervisory limit exceptions and ALL adequacy review are already reported to and reviewed by the Board on a monthly basis.

- CB&T is and has been aware of risks associated with CRE lending and our management feels our knowledge of our customers and our market area's economy, as well as our underwriting expertise, our existing loan policies and procedures, and our ongoing monitoring of projects allow us and our Board to adequately mitigate any extra risk associated with these credits. Our lending staff, management team, and Board are all intimately knowledgeable of our market area's economic "heartbeat" and we do not participate in out of market credits. We know our market and our customers. We have hosted appraisers, engineers, and attorneys in educational seminars for our lending and underwriting staff to help keep informed on the CRE market and associated risks.

- Our Management and Board are very interested and aware of the current CRE environment and market trends. We have already implemented underwriting and reporting changes to reduce risk and increase awareness of CRE trends and concentration. Since January 2004, have reduced our CRE exposure as a percentage of total loans outstanding by 8.5%. We have recently added new consumer loan products and reemphasized others to further reduce our relative CRE exposure.

- If CRE lending is curtailed throughout our market a downturn may be a self fulfilling prophesy. With the proposed criteria we are close enough to the concentration guidelines that we may limit further CRE lending which may be a disservice to our customers. Even though we feel that our underwriting, board and management oversight, and risk management processes are appropriate, further Management Information System requirements or higher Allowance for Loan Losses and/or capital requirements will be burdensome to our staff and could be costly to both our borrowers and our shareholders.

If the guidance is adopted, we feel it may need some changes:

- Proposed guidance includes, in CRE concentrations, residential construction loans to individuals who have permanent financing in place. These loans do not represent the same risk as construction loans to developers on unsold units and should be excluded.

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- Proposed guidance uses Call Report schedule RC-C items 1a, 1d, and 1e to identify institutions with CRE concentrations. 1e includes Commercial Real Estate loans for owner-occupied properties, which are excluded from the CRE definition and institutions are instructed to further analyze their loans and to quantify the dollar amount that meet the definition. A change in the Call Report to breakout owner-occupied CRE would make sense.

- Proposed guidance does not adequately define applicable CRE loans; i.e. are owner managed hotels vulnerable to cyclical commercial real estate markets?

Commercial real estate lending is an extremely important part of the economy in Florida and like wise it is extremely important part of bank lending. I understand the need for sound lending and sound loan portfolios I have concerns, however, that the Guidance as announced will have a negative overall effect on my institution and the economy as a whole. I thank you for your consideration of these concerns and comments and hope that the final Guidance will address them in a meaningful way

Sincerely,

Paul Hofmann
Vice President, Credit Manager
Community Bank & Trust of Florida
(352) 369-1000