



Our interest is in *you*.

March 21, 2006

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

Dear Mr. Feldman:

I work for a mutual financial institution established in 1835 to serve the needs of our community. Since its inception the bank has carried out the mission successfully. Our management and board of directors are committed to serving the evolving needs of our customers. Over the last 20 years the bank has grown from a one branch bank to a six branch \$750 million asset bank by providing superior customer service to our ever expanding customer base. During this period the bank has always been profitable.

The bank is a full service financial institution that provides commercial real estate, residential, consumer, construction and C& I loans. Each of these lending functions is vitally important to our community and overall strength of the American economy. All of our lending professionals have significant lending experience. I am concerned about the proposed arbitrary and mechanical new regulations concerning the concentration of construction and/or commercial real estate exposures. I believe the threshold tests are inappropriate because different types of commercial real estate have very different risk profiles. There is a huge difference in risk levels between commercial real estate loans for contractor spec home construction, commercial construction, and land development- and development from non speculative commercial real estate loans that have firm takeouts or established cash flow patterns.

Appropriate capital levels should be determined based on a thorough analysis of the individual financial institution.

I thank you in advance for your consideration of our concerns.

Sincerely yours,

James R. Horrigan
Assistant Vice President