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 write to you as one of the senior Directors of a 170-year old mutual savings bank that has been conservative and careful in its lending operations. All loans we make are with a confident expectation they will be repaid in a timely manner; and our history shows marked success in this regard.

We have developed an expertise in commercial real estate and construction financing. We have lots of eggs in these baskets, but to paraphrase Andrew Carnegie, we zealously watch the baskets. That is to say we employ experienced, cautious lenders; we diversify our risk by avoiding concentrations with individual customers; all of our loans are approved by Directors who meet weekly and review loan recommendations; and our portfolio of both commercial real estate and construction loans are scrutinized quarterly by independent third-party professionals.

All of the reviews both by outside analysts and by bank examining authorities establish that we have an outstanding low-risk portfolio structure. The proposed arbitrary new regulations on commercial real estate and construction lending as a multiple of a bank's capital base would be a chilling and unfair attack on banks that perform their duties in a manner that minimizes FDIC exposure. In practice, it would amount to a "taking" of one of our prized assets.

As a bank that does not finance speculation and looks for proven cash flow these proposed guidelines would be an injustice to us and others like us. The banking system would be far better served with instead an emphasis on examiners who will evaluate the safeness and soundness of each financial institution on its own record.

Thank you for hearing this strongly held point of view. We are hopeful that the regulators do not employ draconian standards that will harm small business borrowers and lenders.

Very truly yours,

Edward J. Lynch, Jr.