March 3, 2006

Robert E. Feldman, Executive Secretary
Federal Deposit Insurance Corporation (FDIC)
550 17th Street NW
Washington, DC 20429

Delivered via e-mail: Comments@FDIC.gov

Re: Proposed Interagency Guidance-Concentration on Concentrations in Commercial Real Estate; 71 Federal Register 2302; January 13, 2006

Ladies and Gentlemen:

Commerce Bank & Trust of Topeka, Kansas, appreciates the opportunity to comment on the proposed guidance entitled "Concentrations in Commercial Real Estate Lending, Sound Risk Management Practices" issued on January 13, 2006, by the Office of the Comptroller of the Currency, the Federal Deposit Insurance Corporation, the Office of Thrift Supervision and the Board of Governors of the Federal Reserve System ("the agencies").

Our principal concern centers on the agencies applying a broad and arbitrary capital "bright line" test as a form of identification and measurement if a financial institution is considered to have a concentration in commercial real estate (CRE) lending. Capital thresholds are not appropriate for the reason that different types of commercial real estate have very different risk profiles. There are significant risk management and mitigation factors such as a thorough understanding of the portfolio composition, along with the bank's culture & management team, risk appetite, and historical performance that should be taken into consideration. For example, a bank with a 300 percent CRE concentration may actually have more inherent risk than a bank with a 500 percent CRE concentration. This would occur if the former bank's portfolio includes substantially more land development and/or construction loans (project gestation period increases time element uncertainty and level of risk); local market conditions are more volatile; or capital levels are outside median ratios. Hence, we believe that by developing and adhering to a comprehensive loan policy that establishes clear and measurable standards for production, underwriting, diversification, risk review, reporting, and monitoring are instrumental to a strong, well-managed CRE lending program.

While we understand the Agencies' concern that all banks maintain effective internal controls and risk management practices as safeguards from various risks and vulnerabilities, we believe the guidance may be interpreted as a "hard limit" that could restrict lenders' ability to meet the credit and CRA needs of their communities, and possibly damage the community bankers niche by embedding a higher pricing structure than a larger competitor bank or accepting a lower return on shareholder equity. The result of this stringent capital requirement is made obvious: commercial real estate lending opportunities from community banks will be less available and cost more than loans from less regulated lenders or significantly larger financial institutions.

We also note that if the CRE proposed guidance is adopted, it may accelerate the implementation of the stricter Basel capital accord standards and further erode the community bankers' market share and unfairly punish community banks for the problems of a relatively few.

In conclusion, Commerce Bank & Trust respectfully asks that you consider withdrawing or substantially amending the proposed guidance, and rather, if particular credit concerns arise in specific geographic areas, or with respect to particular types of commercial real estate loans, those concerns, would be best addressed through the process of focused horizontal examinations of the individual bank.

Sincerely,

Commerce Bank & Trust

/s/ Duane L. Fager	/s/ William T. Nichols	/s/ Curtis D. Gregg
Duane L. Fager President & CEO	William T. Nichols EVP & Chief Credit Officer	Curtis D. Gregg SVP & Director of Risk Management