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March 24, 2006

Regulations Comments
Chief Counsel's Office
Office of Thrift Supervision
1700 G. Street, NW
Washington, DC 20552

Docket No. 2006-01

Dear Sirs:

I am writing to comment upon the proposed CRE regulations that would require certain financial institutions with prescribed concentrations of "commercial real estate" loans to maintain higher capital levels and increased scrutiny by regulators through a series of rigid monitoring techniques. On its face, the additional regulations seem mechanical, arbitrary, and designed with a "one shoe fits all" mentality.

Each community is unique with varying levels of development capacity. For example, our institution is located in a vibrant and fast growing area where residential construction and land development loans are very much in demand. Rapid residential growth has occurred within our community for over a decade with projections for it to continue for years to come. Our management expertise and the structure of our loan portfolio has evolved to handle this demand and we have worked with our regulators over the years to develop monitoring procedures that are distinctive to our situation and our customer base. In fact, we have had very little involvement in the typical commercial purposes (retail, office or warehouse) real estate loans. Much of our due diligence has centered on knowing our customers and establishing lending levels based upon that knowledge. As a result, our loan loss track record speaks for itself.

We firmly believe that loan concentration limitations and resulting capital level requirements should be based upon a thorough analysis of each individual institution. At a minimum, any additional capital requirements should be based upon the risk-based capital rules currently being considered, not on the proposed CRE regulations.

Sincerely,



Robert C. White
President

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WAKE FOREST FEDERAL

SAVINGS AND LOAN ASSOCIATION

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FAX TRANSMITTAL

Date: 3/24/06

Company: OTS

Fax number: 1-202-906-6518

Attention: Chief Counsel's Office

Reference: CRE proposal

From: Bob White, CEO

Message: _____

