From: David McComb [dmccomb@fcbflorida.com]
Sent: Wednesday, February 15, 2006 5:52 PM
To: Comments, Regs
Subject: Proposed Guidance for Commercial Real Estate Lending

David McComb
945 South Orange Avenue
Orlando, FL 32806-1212

February 15, 2006

William Magrini

Dear William Magrini:

After hearing about the Guidance being proposed with respect to commercial real estate lending, I thought it best to write to you and express my concerns. We all know that commercial real estate lending is an extremely important part of the economy in Florida and of bank lending. Being in the banking industry, I understand that we as lenders need to use sound underwriting criteria to be able to have 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.

My concern is more with the way that the practices are imosed rather than with the individual practices set out in the Guidance themselves. We have had a history of experiences in which individual examiners impose regulations differently than other examiners and even they had previously had done. The proposed Guidance contains certain thresholds and a list of practices and requirements. I am concerned that once again there is an overreaction and we are all of a sudden being given a new set of rules and the whole lending game is suddenly being changed.

I am concerned and would like to see the Guidance clerify several points. My first concern is in the area of loan concentrations. Since all banks have their own unique circumstances, such asindividual bank history, controls, portfolios, and markets, a blanket rule that aims to cover all banks and treat them as the same, will not work. When those in the field determine there is a concentration any response needs to be tailored to each individual bank's specific circumstance.

THe second area of concern is in the area of the thresholds. I hope the Guidance will make it very clear that if the concentration thresholds are exceeded, that it will not immediately and automatically require a capital increase. This again has to do with each bank's situation and therefore, any increase should be in the context of the circumstances of the particular institution.

My thrid and most important concern is that I would like to feel comfortable that this Guidance is not sending out the message and is not any indication that its purpose is to discourage commercial real estate lending.

If the Guidance is imposed in as a unilateral "one size fits all" policy or if it is intended to effect a policy shift discouraging commercial real estate lending, then I am afraid that the State of Florida will be drastically affected in a negative manner. Sound secured real estate lending has been the stable source of loans and income for the Florida banking industry. We have been successful by building our loan portfolios with well collateralized and thoroughly underwritten real estate loans, both existing and construction loans. Central Florida especially is a growing area and the growth has to be supported with new construction and more and more residential and commercial buildings. Community banks like ours have been prudent and conservative when looking at real estate, not only for our sake, but also for the sake of our customers , whom we know intimately and work with to meet their needs. If such loans are not available then we can not service the customers. Then we will we have to look to make other types of loans with less secure collateral. Those types of credits have historically been more riskyand have hurt the banking industry with losses.

I would hate to think that the message sent out is that commercial real estate lending has great regulatory risk. If that would be the case, then these types of loan will be dramatically reduced, causing a significant decline in the state's economy that will only be the tip of the iceberg for problems for the Florida banking industry.

Thank you letting me express my concerns and I hope that you will take them into consideration when finalizing the Guidance.

Sincerely,

David McComb
407-447-0622