UNION FEDERAL "where People are important"
SAVINGS AND LOAN ASSOCIATION - SINCE1890
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April 4, 2006

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

DOCKET NO. 2006-01
FAX NO. 202-906-6518

Dear Ms/Sir:

We are writing to share our point of view on the proposed guidance entitled Concentrations in Commercial Real Estate Lending, Sound Risk Management Practices.

Commercial real estate is vitally important to our lending program. We have a strong presence in multi-family lending products. Each of these loans is underwrote with appropriate cash flows that provide sufficient debt service coverage. We realize rent rolls portend risk. Isn't this the reason we have allowance allocations and risk based capital rules? Why should we have to stop making good loans just because we have reached some arbitrary determined number. The economic impact could be huge.

Some parts of this proposal are ill advised and should be withdrawn. If the Agencies deem it necessary to impose various threshold tests, we feel multi-family and construction/permanent financing loans need to be excluded.

We have been making multi-family loans for most of our 115 years of existence and certainly don't consider them to be "nontraditional". Mr. John M. Reich, Director of the O.T.S, has been publicly advocating reduced regulatory burden, this proposal seems contrary.

Sincerely,

Paul C. Donovan

Paul C. Donovan
President

PCD/lr
Enc.