CHEROKEE BANK
Your Homegrown Bank!

April 3, 2006

Office of the Comptroller of the Currency
250 E Street, SW
Mail Stop 1-5 — Docket No. 06-01
Washington, DC 20219

Ms. Jennifer J. Johnson
Secretary
Board of Governors of the Federal Reserve System
20th Street and Constitution Avenue, NW — Docket No. OP-1248
Washington, DC 20551

Mr. Robert E. Feldman
Executive Secretary
Attention: Comments
Federal Deposit Insurance Corporation
550 17th Street, NW
Washington, DC 20429

Regulation Comments
Chief Counsel's Office
Office of Thrift Supervision
Attn: No. 2006-01
1700 G Street, NW
Washington, DC 20552

Ladies and Gentlemen:

Cherokee Bank, N.A. appreciates the opportunity to comment on the Agencies' Proposed Guidance entitled "Concentrations on Commercial Real Estate Lending, Sound Risk Management Practices" (the "Guidance"), published in the January 13, 2006 issue of the Federal Register.

Our bank is supportive of the March 6, 2006 letter on this subject from the Georgia Bankers Association.

North Canton Office:
1275 Riverstone Parkway P.O. Box 4250 Canton, GA 30114
Ph. 770 479 3400 Fx. 770 720 6923

Foothills Lending Office:
42 McCain Pass P.O. Box 158 Marble Hill, GA 30148
Ph. 770 893 3400 Fx. 770 893 3401

South Canton Office:
3595 Marietta Highway P.O. Box 4250 Canton, GA 30114
Ph. 770 345 7500 Fx. 770 345 7501

In addition, we would like to emphasize the following from our perspective:

1. An advisory on the subject would be more appropriate than rule making. Our bank recognizes concentrations and manages the risk accordingly with additional safeguards. The current examination process successfully provides appropriate oversight of the risk management process. That examinations process is "bank specific" and recognizes that different banks have different abilities, resources and markets.
2. Our bank is not a "collateral lender." Still, if commercial real estate lending is constrained, we can see some banks moving to types of loans that provide weaker collateral protection than commercial real estate loans. Banks will not make fewer loans, but may seek asset based lending and consumer lending opportunities that would increase credit risk.
3. The proposed risk management practices appear to be blind as to geography. A commercial real estate risk in one market is not the same as another market.

Again, we appreciate the opportunity to comment.

Sincerely,

Dennis W. Burnette
President & CEO

cgp