

From: Michael Jordan [mjordan@floridacommunitybank.net]
Sent: Thursday, March 23, 2006 10:34 AM
To: Comments, Regs
Subject: Proposed Guidance for Commercial Real Estate Lending

Michael Jordan
1400 N. 15th Street
Immokalee, FL 34142-2164

March 23, 2006

William Magrini

Dear William Magrini:

I write because I have concerns that the Guidance as announced will have a negative overall effect on my institution and the economy as a whole.

My concerns are not so much with the individual practices set out in the Guidance, but rather with the way the Guidance is imposed. We have had experience in which examiners impose even existing regulations differently than they previously had done. The proposed Guidance contains certain thresholds and a laundry list of practices and requirements. I am concerned that the results could result in a "one size fits all" application by some examiners.

The Guidance must make several points very clear. First, that in looking at concentrations there will not be a one size fits all response. Each financial institution has a different history, different controls, different portfolios, and different markets. When those in the field determine there is a concentration any response needs to be tailored for the specific circumstances.

Second, the Guidance needs to make it very clear that if the concentration thresholds are exceeded it does not automatically require an arbitrary capital increase. Any increase should be in the context of the circumstances of the particular institution.

Third, the Guidance should expressly indicate that its purpose is not to discourage commercial real estate lending.

If the Guidance is imposed in a mechanical or arbitrary manner or if it is intended to effect a policy shift discouraging commercial real estate lending then I fear grave consequences. Secured real estate lending has been the bread and butter of banks in Florida. If such loans are not available then will we have to look to other types of credits which historically have been more risky?

Perhaps most important, if the message is perceived to be that commercial real estate lending has great regulatory risk, then such loans will significantly diminish. This will lead to a downturn in our economy that will create systemic problems for banks far beyond the risk of commercial real estate loans.

I thank you for your consideration of these concerns and comments and hope that the final Guidance will address them in a meaningful way

Sincerely,

J. Michael Jordan
239-657-3171