

From: Cyril Spiro [cspiro@regentbank.com]  
Sent: Tuesday, February 28, 2006 5:12 PM  
To: Comments, Regs  
Subject: Proposed Guidance for Commercial Real Estate Lending

Cyril Spiro  
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Davie, FL 33324-5806

February 28, 2006

William Magrini

Dear William Magrini:

I write because I think it important to comment on the Guidance being proposed with respect to commercial real estate lending. Commercial real estate lending is an extremely important part of the economy in Florida and likewise it is extremely important part of bank lending.

I understand the need for sound lending and sound loan portfolios. I have concerns, however, that the Guidance as announced will have a negative overall effect on 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 might be interpreted. Specifically there are several points we would like for the Guidance to make clear. First, that in looking at concentrations there will not be a one size fits all response. Each 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, we hope the Guidance will make it very clear that if the concentration thresholds are exceeded it does not automatically require a 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, it could result in a policy shift discouraging commercial real estate lending. Secured real estate lending has been the bread and butter of banks in Florida given its significance in the overall economy.

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,

Cyril S. Spiro  
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