



Cincinnati Federal

SAVINGS AND LOAN

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March 31 2005

Regulation Comments
Chief Counsel's Office
Office of Thrift Supervision
1700 G Street, N.W.
Washington, D.C. 20552
Regs.comments@ots.treas.gov

Robert E. Feldman
Executive Secretary
Federal Deposit Insurance Corp.
550 17th Street, N.W.
Washington, D.C. 20429
Comments@FDIC.gov

Office of the Comptroller
of the Currency
250 E. Street, S.W., Mail Stop 1-5
Washington, D.C. 20219
Regs.comments@occ.treas.gov

Jennifer J. Johnston, Secretary
Board of Governors of the Federal
Reserve System
20th Street and Constitution Avenue
Washington, D.C. 20551
Regs.comments@federalreserve.gov

Re: Proposed Guidance – Concentrations in Commercial Real Estate

Unfortunately and for whatever reason, there has been an acceptance of a correlation between unsound Risk Management and Concentrations in Commercial Real Estate. This is simply not the case. We agree that some institutions have grown with reckless abandon in this area, but throwing the baby out with the bath water is not the answer.

Institutions that have proven themselves capable should be allowed to continue doing what they do best. In the case of Cincinnati Federal S & L Association, our better credit and more financially well healed customers are in the CRE arena. We have been very successful recognizing that "Collateral" is only one "C" of lending.

The unintended impact of this Guidance will force the Community Banks into a surrogate source of yield, often meaning entry into areas of investments in which they are not as familiar such as Sub-Prime and Non-Conforming niche lending. In our experience, these borrowers are inherently more risky.

Sincerely

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