

March 15, 2006

Robert E. Feldman, Executive Secretary  
Attn: Comments/ Legal ESS  
Federal Deposit Insurance Corporation  
550 17<sup>th</sup> Street, NW  
Washington, DC 20429

Dear Mr. Feldman:

We are a mutual financial institution established in 1835 to serve the needs of our community. Since our inception we have carried out the mission successfully. Our management and board of directors are totally committed to serving the evolving needs of our customers. Over the last 20 years our bank has grown from a one branch bank to a six branch \$750 million asset bank by providing superior customer service to our ever expanding customer base. During this period our bank has always been profitable.

We are a full service financial institution that provides commercial real estate, residential, consumer, construction and C& I loans. Each of these lending functions is vitally important to our community and overall strength of the American economy. All of our lending professionals have significant lending experience. We are deeply concerned about the proposed arbitrary and mechanical new regulations concerning the concentration of construction and/or commercial real estate exposures. We believe the threshold tests are inappropriate because different types of commercial real estate have very different risk profiles. There is a huge difference in risk levels between CRE loans for contractor spec home construction, commercial construction, and land development- and development from non speculative CRE loans that have firm takeouts or established cash flow patterns.

We believe if you find it necessary to impose threshold tests than you should exclude multi-family loans, pre-sold construction and construction/ permanent financing with either firm takeouts or established cash flows that provide sufficient debt service coverage.

We are truly committed to serving the financial needs of our community with a strong well-capitalized bank and we believe the present system of determining adequate capital levels based on a thorough analysis of the individual institution is appropriate.

Sincerely yours,

*Gloria A. Baker*  
Gloria Anita Baker *Trustee*