



Virginia Community Bank

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A. Pierce Stone
Chairman and CEO

June 23, 2005

Ms. Jennifer J. Johnson, Secretary
Board of Governors of the
Federal Reserve System
20th Street & Constitution Avenue, NW
Washington, DC 20551

Re: Proposed Regulations on the Classification of Commercial Credit Exposures

Dear Ms. Johnson,

I have reviewed the proposed new commercial credit rating system and have discussed the proposal with many of my fellow community bankers throughout the USA. Unfortunately, the proposal concerns me as I believe it does most community bankers. The question I present to the Board of Governors as well as the FDIC Board, "is why attempt to fix something that is not broken"? The existing rating system has worked well for the past 70 years and has worked well for my bank since it was organized 28 years ago.

Our personnel and capital resources are already heavily burdened by increased regulatory issues over the past few years. I am concerned that the proposed two dimensional system will further task our resources without any measurable improvements toward risk rating our loan portfolio. It's unfortunate, but regulatory items are ultimately passed onto the consumer and bank services end up costing them more in the end. I trust that in the event this proposal is implemented that serious consideration will be given toward continuing the existing risk rating system for community banks with assets of less than a billion dollars.

The Board's consideration to decrease and not further increase regulatory burden will be greatly appreciated.

Sincerely yours,

APS:pd