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June 13,2005

Jennifer J. Johnson, Secretary
Board of Governors of the Federal Reserve System
20th Street and Constitution Avenue, NW
Washington, D. C. 20551

RE: Comments on Proposed Classification of Commercial Credit Exposures
(Docket # OP-1227)

Dear Ms. Johnson,

As a Cornmunity Bank in Western Virginia and East Tennessee, I would like to comment on the proposed classification of commercial credit exposures. The new system incorporates a dual rating system that replaces the existing special mention, substandard and doubtful loan classifications with a marginal, weak, and default rating system which also rates loss severity in the event of default.

It is difficult for me to understand how this more complicated system can result in better consistency and efficiency. This proposed system appears to duplicate what we are already accomplishing with the FASB 114 review. This is a standard part of our present allowance for loan and lease loss reporting.

I consider the new proposal as a regulatory burden for all Cornmunity Banks. This will oniy serve to increase our administrative workload without a significant benefit for the additional effort and could draw resources away from managing credits.

In my mind the old adage if it isn't broke don't fix it would apply. Our present system works well, let's keep it.

Sincerely,

Leton Harding
EVP