

**From:** Richard Liles <Richard.Liles@bankofmckenney.com> on 06/24/2005 02:36:07 PM

**Subject:** Classification of Commercial Credit Exposures

RE: Proposed New Commercial Credit Rating  
System

Dear Sir:

Implementing any new law, rule, or regulation should be with careful thought as to what you are proposing to accomplish. New procedures should be done to correct deficiencies or help with efficiencies on areas of compliance, reporting, or safety and soundness.

I am not aware of any deficiencies regarding credit risk in the community bank world. Please note that credit risk is not limited to "commercial credits". All credits are important to community banks.

Banks now review individual credits and comply with FASB 114 and FASB 5 to calculate their loan loss reserves. The spirit, if not the exact letter of the proposed regulation is already being followed.

Banks in general, but community banks in particular, have been hit extremely hard in the financial bottom line complying with new laws, rules, and regulations. Some of which seem to have very questionable benefits to anyone.

Please think carefully before implementing any "new" requirements. Community banks do not need any additional costs heaped on their backs.

Sincerely,

Richard M. Liles  
President & CEO