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June 17, 2005

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

Dear Ms. Johnson,

I would like to express my opposition to the **Proposed Classification of Commercial Credit Exposures**.

The current FAS 114 review already requires that we calculate loss severity for loans rated below the "Pass" category. Our bank currently utilizes six classifications, Pass, Pass – Acceptable with Care, Special Mention, Substandard, Doubtful, and Loss, in our quarterly review of commercial borrowers. Any relationship graded below "Pass" is subjected to a detailed review whereby a specific reserve is established based on that relationship's projected loss amount.

The current system is effective and already accomplishes what this new method proposes. A change will only introduce more confusion and cost into the process with no measurable benefit to the safety and soundness of the bank.

Sincerely,

Michael Rowe
Vice President & Senior Loan Officer