From: "Jerry Kyle" <jkyle@platinumbank.com> on 03/25/2006 12:50:02 PM

Subject: Interagency Concentrations in Commercial Real Estate Lending

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Jennifer Johnson

Dear Jennifer Johnson:

This is my second comment letter. I wish to include the following additional issues for your consideration. In the essence of trying to assist your understanding and findings that might achieve safety and soundness goals as well as not set the stage for a self fulfilling prophecy as occurred in the 1990-1991 recession.

Two other issues should be considered in the overall determination of how the percieved or real risk of commerical real estate lending affects a bank's overall risk profile.

1. Provide guidance in the risk based capital calculation. Bankers are accustom to projecting their risk profile as it relates to capital requirements and reserves. Set the bar higher for certain types of lending that would impact the capital requirements and therefore either limit that type of lending or "set aside" larger amounts of capital to participate in the higher risk lending acitivity.

2. Each agency has access to economic models, economist and risk analysis processes. Project the economic stability of any market and its "financial health" and let the market take its course. Higher interest rates are having their projected effect and on the type of projects that have been the most speculative. The Federal Reserve's actions and oversuppy of any market will take on a settling process for most markets and the real estate markets are no different. There is significant capital among the buying public and each economic cycle is different, this one is different, but appears to be reverting to a more normal expansion pattern.

If the Guidance is imposed in a mechanical or arbitrary manner or if it is intended to effect a policy shift discouraging commercial real estate lending then I fear grave consequences. Secured real estate lending has been the bread and butter of banks in Florida. If such loans are not available then will we have to look to other types of credits which historically have been more risky?

Perhaps most important, if the message is perceived to be that commercial real estate lending has great regulatory risk, then such loans will significantly diminish. This will lead to a downturn in our economy that will create systemic problems for banks far beyond the risk of commercial real estate loans.

I thank you for your consideration of these concerns and comments and hope that the final Guidance will address them in a meaningful way.

Sincerely,

Jerry M. Kyle