From: "Charles Valade" <cvalade@commonwealthworcester.com> on 04/03/2006 04:40:17 PM

Subject: Interagency Concentrations in Commercial Real Estate Lending

Charles Valade
Worcester, MA 01608-1535

April 3, 2006

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 believe the guidance being proposed is meant as a cureall for all banks even though all banks are not alike. If there are issues at certain banks due to poor underwriting etc., we should not be included in the fix as we believe our underwriting is appropriate and our risk well monitired. We are a four year old bank that has grown nicely but capital continues to be needed due to our growth. We should not be penalized with capital ratios that will constrain us if our underwriting is strong, we have good performance and no losses. We are an OCC bank with a good track record right from the beginning because we have a strong credit culture. We actively monitor the portfolio and at least twice a year, analyze our construction loan portfolio to see how sales are moving, what price range are our builders building in and how many homes are being funded etc. While the ratios may not be a problem for the larger banks because of their capital, we smaller banks would be hurt. For the banks that need the discipline, give it to them but don't include all of us in that category unless we deserve it.

Sincerely,

Charles R. Valade