First Bank & Trust Company
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March 30, 2006

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

RE: Docket no. OP-1248

Dear Ms. Johnson:

As Vice President of Credit Administration of the First Bank and Trust Company, which is a state chartered bank and a member of the Federal Reserve System, I am writing to comment on the proposed guidance entitled "Concentration in Commercial Real Estate Lending, Sound Risk Management Practices" further referenced by the above docket number.

Our Bank feels that the proposal punishes the masses, while the proper solution might be to impose similar restrictions on a case by case basis for banks which receive low marks for safety and soundness from your examinations. Our Bank has, since its beginning in 1979, prided ourselves on our ability to identify, manage, and mitigate risk in our commercial loan portfolio. We firmly believe in asking the right questions up front, and analyzing and correctly dealing with the risk in each loan we make. The Allowance for Loan and Lease Losses should address portfolio risk. Your examinations have rated very highly in this area, year after year. Why, then, should our Bank be restricted to the same degree as a renegade competitor? Examiners need to pay more attention to credit quality rather than restrictions based on capital. Without income generated from quality loans, capital does not grow. We have stood the test of time and do not deserve to be regulated out of business by a set of arbitrary rules that punish both the guilty and the innocent.

If this proposal is enacted, I would envision the following to happen:

- A regulatory induced recession will cause chaos in the banking system. You will have removed the last niche market for many safely managed community banks. Merger will be the rule, not the exception.

- Banks, as a last effort to find a way to remain in business, will try to circumvent the proposal by making more unsecured lines of credit, and unsecured term loans. Loans secured with weaker (non real estate) collateral will prevail, creating more risk, not less risk.

- Loan losses will escalate sharply as the loans being made will actually carry higher risk and recoveries upon default will be less than before due to the type collateral or no collateral at all, and this will also reduce the Bank's capital base.

- Builders and developers will become more conservative due to the uncertainty as to the availability and higher cost of funds they borrow. As the builders go out of business, suppliers will follow suit, and the nations housing needs will not be met.

- The long term result will be reduced competition for large banks as community banks go out of business or are purchased by large banks at a discount.

Please abandon this proposal, and punish only the guilty.

Sincerely,

James Thomas Bowen

James Thomas Bowen
Vice President/ Credit Administration