

From: "William Quisenberry" <william.quisenberry@hotmail.com> on 02/21/2006 05:55:01 PM

Subject: Commercial Real Estate Lending

William Quisenberry
Leesburg, FL 34748-3550

February 21, 2006

Jennifer Johnson

Dear Jennifer Johnson:

I am writing personally, and on behalf of my Bank, to comment on the Guidance being proposed with respect to commercial real estate lending.

Commercial real estate lending is an important part of what we do here at Citizens First Bank and an important part of our economy, both locally and Florida statewide. The guidance you propose will likely have an adverse effect on our Bank and our State.

First, I understand the need for prudent lending and sound loan portfolios. Our Bank has a history of prudent lending, low losses, a low level of criticized loans and excellent overall Bank regulatory ratings. Other Banks, without this type of experience, may require more scrutiny. I propose "not to fix what ain't broke" here at Citizens and the preponderance of Community Banks throughout the country.

I do not believe this proposal can be implemented satisfactorily, nationwide. There are so many differences among States, regions, economies and differences in real estate markets, throughout the country, that proposals such as these simply do not work. Further, though well intended, they serve to penalize the high performing Banks, the active real estate markets and the growth areas (high tax revenue regions) of the country.

Next, when looking at concentrations, the response needs to be tailored for the specific circumstances of the particular Bank and market.

Next, I would hope the Guidance will make it clear that if the concentration thresholds are exceeded, it does not automatically require a capital increase. Any increase again, should be in the context of the circumstances of the particular institution.

Third, and most importantly, the Guidance should expressly indicate that its purpose is not to discourage commercial real estate lending.

Secured commercial real estate lending has been a safe and profitable venue for Florida Banks. If such loans are not available or discouraged at local Banks due to regulatory pressure, then this eliminates an historically safe investment for Bank loans and the menu of safe credits is reduced substantially.

On a global basis, if the message to Bank Leadership 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

local economy that will create systemic problems for banks far beyond the risk of commercial real estate loans.

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

Sincerely,

William A. Quisenberry