

From: "Mike Marcink" <mikem@UnitedBankofUnion.com> on 03/16/2006 05:50:01 PM

Subject: Commercial Real Estate Lending

March 16, 2006

To: regs.comments@federareserve.gov <<mailto:regs.comments@federareserve.gov>>; regs.comments@occ.treas.gov <<mailto:regs.comments@occ.treas.gov>>; comments@fdic.gov <<mailto:comments@fdic.gov>>

Re: Propose Guidance-Concentrations in Commercial Real Estate Lending, Sound Risk Management Practices.

Dear Sir or Madam:

Thank you for allowing me to comment on the guidance that refers to the tightening of commercial real estate lending, or CRE.

Here in Missouri, CRE lending plays a vital role in the bank's profitability and the local economy. The proposed guidance will limit the bank's lending practices for CRE loans based on the amount of capital on hand. The proposed threshold of 100% and 300% are very restrictive and could ultimately effect the profitability and competitiveness of community banks.

Understanding the importance of risk and managing that risk is crucial, but grouping all banks under the "one size fits all" policy could be detrimental. Each bank is unique and operates under different housing market and each has different loan portfolios. Banks should individually assess the risk on CRE lending under its local market, and if necessary, make appropriate adjustments to the loan loss reserves to counter that risk.

I appreciate your time and consideration on this matter.

Sincerely,

Mike W. Marcink
Loan Officer
United Bank of Union