

From: "Marcia Snyder" <msnyder@bankatantic.com> on 03/20/2006 10:24:53 AM

Subject: Commercial Real Estate Lending

Marcia Snyder
Ft. Lauderdale, FL 33309-1823

March 20, 2006

Jennifer Johnson

Dear Jennifer Johnson:

I write because I think it important to comment on the Guidance being proposed with respect to commercial real estate lending. Commercial real estate lending is an extremely important part of the economy in Florida and an essential component of every bank's lending program.

I understand the need for sound lending and quality loan portfolios, however, I am extremely concerned that the Guidance, as announced, will have a negative overall effect on my institution and the economy as a whole.

My concerns are not so much with the individual practices set out in the Guidance, but rather the implementation. Examiners frequently interpret regulations differently from one exam to another. The proposed Guidance contains certain thresholds and a laundry list of practices and requirements. I am concerned that the rules of the game have suddenly changed and there is uncertainty as to how these rules will be imposed.

Specifically, there are several points for which we would like clarification. First, will there be a differentiation between institutions and not a one size fits all response? Each institution has a different history, different controls, different portfolios, and different markets. When those in the field determine there is a concentration, any response needs to be tailored for the specific circumstances.

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

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

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 and inconsistent application. Secured real estate lending has been the bread and butter of banks in Florida. If such loans are not available, we will be forced to look to other types of lending which historically have carried more risk.

Perhaps most important, if the message is perceived to be that commercial real estate lending has inordinate regulatory risk, then this type of lending may significantly diminish. This will lead to a downturn in our

economy that will create systemic problems for banks far beyond the credit 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,

Marcia K. Snyder