

DATE: January 13, 2005

SUBJECT: Federal bank and thrift agencies propose guidance on commercial real estate lending.

HIGHLIGHTS: The federal bank and thrift regulatory agencies on Tuesday issued for comment proposed guidance on sound risk management practices for concentrations in commercial real estate lending. The agencies have observed that some institutions have high and increasing concentrations of commercial real estate loans where repayment primarily is dependent on rental income or from the proceeds of the sale, refinancing, or permanent financing of the property. Such concentrations may expose institutions to unanticipated earnings and capital volatility in the event of adverse changes in the general commercial real estate market.

**DOCUMENT
LOCATION:**

<http://www.federalreserve.gov/boarddocs/press/bcreg/2006/20060110/default.htm>

**FURTHER
INFORMATION:**

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