Exhibit 7

(Letter to Federal Reserve Bank of Chicago)

August 4, 2004

Ms. Alison Wojcik
Managing Examiner
Federal Reserve Bank of Chicago
230 South LaSalle Street
Chicago, IL 60604-1413

Re: Pooled Trust Preferred Transaction

Dear Ms. Wojcik:

I am writing to obtain the Federal Reserve Bank's confirmation that the proposed issuance of trust preferred securities ("Capital Securities") by Corus Bankshares, Inc. (the "Company") to a pooling vehicle (the "Pooling Vehicle") that will use the distributions on the Capital Securities (and the distributions on capital securities issued by other financial institutions) to securitize note obligations, will qualify as Tier 1 capital (up to 25% of the Company's total Tier 1 capital), with the balance qualifying as Tier 2 capital. What follows is a brief summary of the proposed terms of the transaction. If you would like to review any of the documents referred to below, please let me know as soon as possible and I will forward copies to you.

The Company will establish a business trust subsidiary (a "Trust") for the sole purpose of issuing Capital Securities pursuant to an Amended and Restated Declaration of Trust (the "Declaration"). Approximately 50 other financial institution holding companies will also establish business trust subsidiaries to offer capital securities pursuant to separate declarations. The proceeds from the sale of the Capital Securities will be loaned to the Company under deeply subordinated debentures (the "Debentures") issued to the Trust pursuant to an Indenture (the "Indenture"). Interest payments on the Debentures will flow through the Trust to the Pooling Vehicle, which will be the holder of the Capital Securities and the Capital Securities issued by other financial institutions. Payments of distributions by the Trust to the Pooling Vehicle will be guaranteed by the Company pursuant to a Guarantee Agreement (the "Guarantee"). The terms of the Declaration, Indenture and Guarantee are described in more detail below.

The Pooling Vehicle will use the proceeds from the sale of notes in the private market to purchase the Capital Securities and the capital securities issued by other financial institutions. Proceeds from the distributions payable on the Capital Securities (as well as the proceeds from distributions payable on capital securities issued by other pool participants) will be used to pay for the costs of maintaining the Pooling Vehicle and to make interest payments on the notes issued by the Pooling Vehicle. A diagram of the proposed transaction is attached to this letter as Appendix A.

Certain of the relevant terms of the proposed issuance of Capital Securities are described below:

- Duration of Trust: 35 years, unless earlier dissolved.
- Term of Capital Securities and Debentures: 30 years.
- Parties to Operative Documents: U.S. Bank National Association, will act as Trustee under the Indenture and Guarantee and as Institutional Trustee under the Declaration.

KE-CORUS 544281
CONFIDENTIAL

The Company will be a party to each of the operative documents. The Administrators of the Trust (two or three officers of the Company) are also parties to the Declaration.

- Securities Issued: The Trust will issue the Capital Securities and common securities (the "Common Securities"), which will constitute at least 3% of the amount of the Debentures. The Common Securities will be held by the Company. The Company will issue the Debentures to the Trust, which will hold them for the benefit of the Capital Security holders. The Capital Securities will be issued in minimum denominations of $1,000.

- Payment of Distributions and Interest: Distributions on the Capital Securities are cumulative and will be payable quarterly at a floating rate, such rate and payment dates to be determined upon execution of the placement agreement among the Company, the Trust and the placement agents, FTN Financial Capital Markets, a division of First Tennessee Bank, N.A. and Keefe, Bruyette & Woods, Inc. The distribution rate and payment dates on the Capital Securities will coincide with the interest rate and the payment dates on the Debentures.

- Voting Rights of Security Holders: The holder of the Common Securities possesses most of the voting rights under the Declaration. The holder of the Capital Securities will have limited voting rights.

- Additional Obligations of the Company. If at any time the Trust is required to pay taxes, duties, assessments or governmental charges of any kind, then the Company is required to pay to the Trust additional sums so that the net amount received by the Trust after paying such amounts would equal the amount the Trust would have received had no such additional taxes, duties, assessments or charges been imposed.

- Early Redemption: The Capital Securities and Debentures are redeemable at any time commencing in 2008 at par, and may be redeemed earlier following the occurrence of a Special Event. "Special Event" is defined as either (i) the receipt by the Company of an opinion of counsel to the effect that there is more than an insubstantial risk that (a) the Trust is or will be subject to federal income tax with respect to the income received or accrued on the Debentures, (b) interest payable by the Company on the Debentures is not or will not be deductible, in whole or in part, for federal income tax purposes, or (c) the Trust is or will be subject to more than a *de minimis* amount of other taxes, duties or other governmental charges; (ii) the receipt by the Company of an opinion of counsel to the effect that, as a result of the occurrence of a change in law or regulation, there is more than an insubstantial risk that the Trust is or will be considered as an "investment company" that is required to be registered under the Investment Company Act of 1940; or (iii) the receipt by the Company of an opinion of counsel to the effect that there is more than an insubstantial risk that the Company will not be entitled to treat an amount equal to the aggregate liquidation amount of the Capital Securities as "Tier 1 Capital" for purposes of the capital adequacy guidelines of the Federal Reserve; provided that the inability of the Company to treat all or a portion of the aggregate liquidation amount of the Capital Securities as Tier 1 Capital will not constitute the basis for a Special Event if such inability results from the Company having cumulative preferred stock, minority interests in consolidated subsidiaries, or any other class of security or interest which the applicable federal financial institutions regulatory agency may accord Tier 1 Capital treatment in excess of the amount which may qualify for Tier 1 Capital treatment under applicable federal financial institutions regulatory agency capital adequacy guidelines; provided further that the distribution of the Debentures in connection with the dissolution of the Trust will not in and of itself constitute a Capital Treatment Event unless such dissolution shall have occurred in connection with another Special Event. *Early redemption of the Capital Securities or the Debentures is subject to approval by the Federal Reserve if then required under applicable capital guidelines or policies of the Federal Reserve.*

KE-CORUS 544282
CONFIDENTIAL

- Extension Periods. Interest payments on the Debentures (and the corresponding distributions on the Capital Securities) may be deferred at any time at the election of the Company for up to 20 consecutive quarterly periods (5 years). There is no limitation on the number of extension periods the Company may elect. Interest on the Debentures (and the corresponding distributions on the Capital Securities) will accrue during the extension period, and all accrued principal and interest must be paid at the end of each extension period. During an extension period, the Company may not (i) declare or pay any dividends or distributions on, or redeem, purchase, acquire, or make a liquidation payment with respect to, any of the Company's or any Company affiliate's capital stock (other than payments of dividends or distributions to the Company) or make any guarantee payments with respect to the foregoing or (ii) make any payment of principal of or interest or premium, if any, on or repay, repurchase or redeem any debt securities of the Company or any affiliate of the Company that rank *pari passu* in all respects with or junior in interest to the Debentures (other than, with respect to clauses (i) or (ii) above, (a) repurchases, redemptions or other acquisitions of shares of capital stock of the Company in connection with any employment contract, benefit plan or other similar arrangement with or for the benefit of one or more employees, officers, directors or consultants, in connection with a dividend reinvestment or stockholder stock purchase plan or in connection with the issuance of capital stock of the Company (or securities convertible into or exercisable for such capital stock) as consideration in an acquisition transaction entered into prior to the applicable extension period, (b) as a result of any exchange or conversion of any class or series of the Company's capital stock (or any capital stock of a subsidiary of the Company) for any class or series of the Company's capital stock or of any class or series of the Company's indebtedness for any class or series of the Company's capital stock, (c) the purchase of fractional interests in shares of the Company's capital stock pursuant to the conversion or exchange provisions of such capital stock or the security being converted or exchanged, (d) any declaration of a dividend in connection with any stockholder's rights plan, or the issuance of rights, stock or other property under any stockholder's rights plan, or the redemption or repurchase of rights pursuant thereto, (e) any dividend in the form of stock, warrants, options or other rights where the dividend stock or the stock issuable upon exercise of such warrants, options or other rights is the same stock as that on which the dividend is being paid or ranks *pari passu* with or junior to such stock and any cash payments in lieu of fractional shares issued in connection therewith, or (f) payments under the Guarantee).

- Subordination of the Debentures. The Company's obligations under the Debentures are subordinated to all Senior Indebtedness of the Company. "Senior Indebtedness" is defined as (i) the principal, premium, if any, and interest in respect of (A) indebtedness of the Company for money borrowed and (B) indebtedness evidenced by securities, debentures, notes, bonds or other similar instruments issued by the Company; (ii) all capital lease obligations of the Company; (iii) all obligations of the Company issued or assumed as the deferred purchase price of property, all conditional sale obligations of the Company and all obligations of the Company under any title retention agreement; (iv) all obligations of the Company for the reimbursement of any letter of credit, any banker's acceptance, any security purchase facility, any repurchase agreement or similar arrangement, any interest rate swap, any other hedging arrangement, any obligation under options or any similar credit or other transaction; (v) all obligations of the type referred to in clauses (i) through (iv) above of other Persons for the payment of which the Company is responsible or liable as obligor, guarantor or otherwise; and (vi) all obligations of the type referred to in clauses (i) through (v) above of other Persons secured by any lien on any property or asset of the Company (whether or not such obligation is assumed by the Company), whether incurred on or prior to the date of this Indenture or thereafter incurred. "Senior Indebtedness" does not include (1) additional debt that is includable as Tier 1 capital, (2) Debentures issued pursuant to the Indenture and guarantees in respect of such Debentures, (3) trade accounts payable of the Company arising in the ordinary course of business (such trade accounts payable being *pari passu* in right of payment to the Debentures), or (4) obligations with

KE-CORUS 544283
CONFIDENTIAL

respect to which (a) in the instrument creating or evidencing the same or pursuant to which the same is outstanding, it is provided that such obligations are *pari passu*, junior or otherwise not superior in right of payment to the Debentures and (b) the Company, prior to the issuance thereof, has notified (and, if then required under the applicable guidelines of the Federal Reserve, has received approval from) the Federal Reserve.

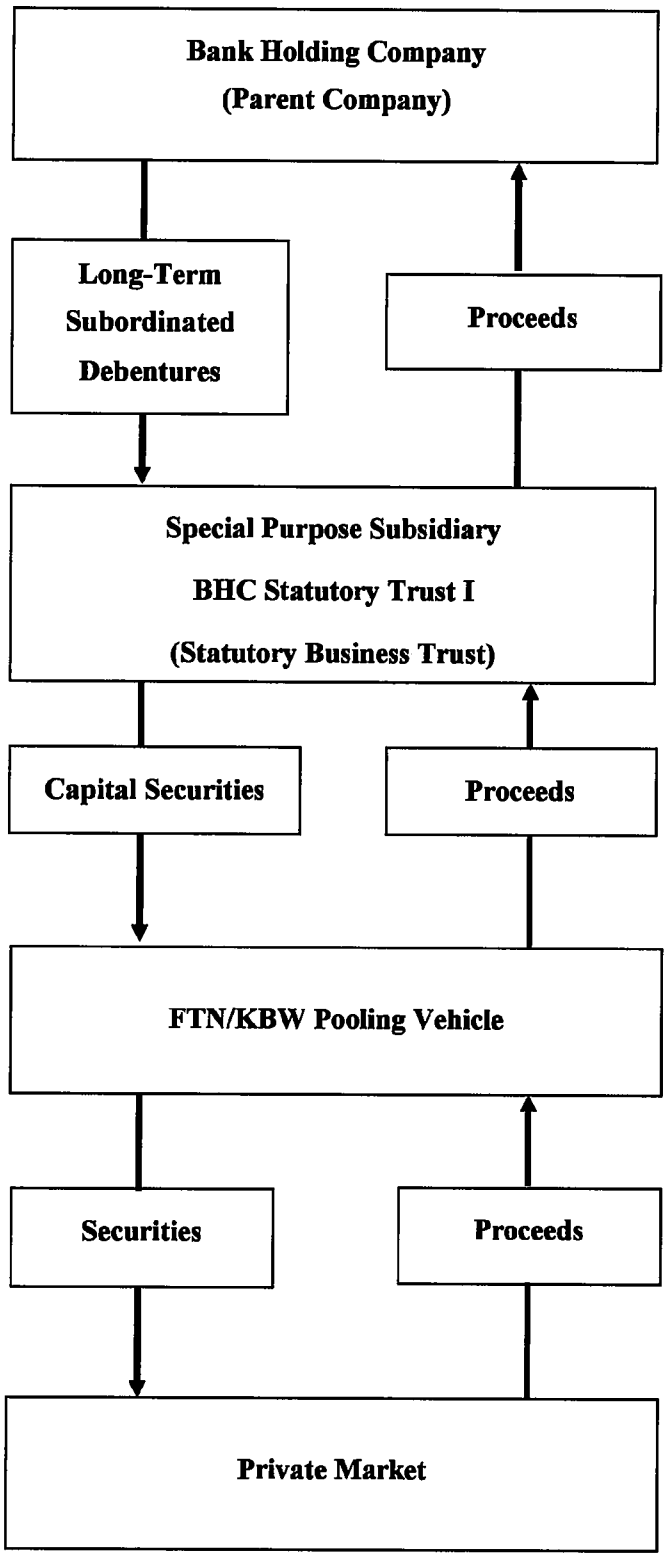
- Guarantee of Company. The Company will irrevocably and unconditionally guarantee, with respect to the Capital Securities and to the extent not paid by the Trust, accrued and unpaid distributions on the Capital Securities and the redemption price payable to the holders of the Capital Securities, in each case to the extent the Trust has funds available.

Please confirm at your earliest convenience that the proceeds from the foregoing transactions will be qualified as Tier 1 capital (up to 25% of other components of Tier 1 capital), with the balance qualifying as Tier 2 capital. Please call me if you have any questions or if you require additional information. Thank you for your attention to this matter.

Timothy H. Taylor
EVP / CFO
Corus Bankshares, Inc.

KE-CORUS 544284
CONFIDENTIAL

APPENDIX A


Bank Holding Company
(Parent Company)
Long-Term
Subordinated
Debentures
Proceeds
Special Purpose Subsidiary
BHC Statutory Trust I
(Statutory Business Trust)
Capital Securities
Proceeds
FTN/KBW Pooling Vehicle
Securities
Proceeds
Private Market