

Mail Stop 4561

November 8, 2007

Austin L. Roberts, III  
President and Chief Executive Officer  
Bay Banks of Virginia, Inc.  
100 South Main Street  
Kilmarnock, Virginia 22482

**RE: Bay Banks of Virginia, Inc.  
Form 10-K for Fiscal Year Ended December 31, 2006  
Filed March 23, 2007  
File No. 000-22955**

Dear Mr. Roberts,

We have reviewed your response dated October 19, 2007 and have the following comment. Where indicated, we think you should revise your filing in response to this comment. If you disagree, we will consider your explanation as to why our comment is inapplicable or a revision is unnecessary. Please be as detailed as necessary in your explanation. After reviewing this information, we may raise additional comments.

Please understand that the purpose of our review process is to assist you in your compliance with the applicable disclosure requirements and to enhance the overall disclosure in your filing. We look forward to working with you in these respects. We welcome any questions you may have about our comment or any other aspect of our review. Feel free to call us at the telephone numbers listed at the end of this letter.

Form 10-K filed March 23, 2007

Financial Statements

Note 2, Unidentifiable Intangibles, page 34

1. Please refer to prior comment 1. Your response seems to focus on the definition of a business. Our comment asked you to explain in detail why you believe the previously identified core deposit intangible assets qualified as an unidentifiable intangible asset under the provisions of SFAS 147. SFAS 147 established the accounting for unidentifiable intangibles assets that were accounted for or aggregated with goodwill. Based on your disclosures and fact that these

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intangible assets were identified as core deposit intangibles assets, we believe that you should amortize them. Please revise accordingly.

As appropriate, please amend your filing and respond to this comment within 10 business days or tell us when you will provide us with a response. Please provide us draft copies of your proposed revisions prior to filing your amendment. Please furnish a cover letter with your amendment that keys your response to our comment and provides any requested information. Please understand that we may have additional comments after reviewing your amendment and response to our comment.

You may contact Brittany Ebbertt, Staff Accountant, at (202) 551-3572 or me at (202) 551-3851 if you have questions regarding our comments.

Sincerely,

Paul Cline  
Senior Accountant