

October 19, 2012

Robert E. Feldman, Executive Secretary
Attn: Comments/Legal ESS
FDIC
Comments @fdic.gov

Dear Mr. Feldman:

I'm writing to voice my opposition to requiring community banks to comply with Basel III proposals.

We don't have a problem in requiring banks to maintain adequate capital levels. However, including gains and losses on available-for-sale securities in Tier 1 Common Equity will have a negative impact on our bank and the communities we serve. Community banks provide a unique banking service in the U.S. financial system. For years, we have been the mortgage lender of choice in the many small communities we serve. In many cases, our bank has been the only bidder for local school and municipal bond issues. We have limited access to the capital options enjoyed by large national and regional banks. Making our capital to asset ratio more volatile will force our bank to shorten investment durations within our bond portfolio and further limit our flexibility in providing much needed local mortgage services. Handicapping our ability to serve our local customers will result in fewer banking options for many people and communities.

Sincerely,
William L. Berry
Chairman of the Board
And Chief Executive Officer
American Heritage Bank
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