



9/26/2012

Robert E. Feldman, Executive Secretary  
Attention: Comments/Legal ESS,  
Federal Deposit Insurance Corporation  
550 17th Street, N.W.  
Washington, D.C. 20429

Re: Comment on proposed Basel III regulatory capital rules/standards  
*Regulatory Capital Rules: Regulatory Capital, Implementation of Basel III, Minimum Regulatory Capital Ratios, Capital Adequacy, and Transition Provisions; Regulatory Capital Rules: Standardized Approach for Risk-weighted Assets; Market Discipline and Disclosure Requirements; and Regulatory Capital Rules: Advanced Approaches Risk-based Capital Rules; Market Risk Capital Rule.*

Ladies and Gentlemen:

Thank you for the opportunity to provide comment on the Basel III proposals that were recently issued for public comment by the Federal Reserve Board, the Office of the Comptroller of the Currency, and the Federal Deposit Insurance Corporation.

I am Rick Holder , Chairman and Chief Financial Officer of Stockmans Bank , Altus Oklahoma. We are a one hundred and thirty-eight million dollar bank that serves five small communities in Southwest Oklahoma. The proposed rule would be detrimental to our bank's capital, but also would be devastating to our communities. Our bank has already been suffering from the new lending regulations concerning home mortgages; but this rule could put us out of the business of making home loans in these small communities. I cannot imagine that those who wrote this rule understood the consequences it would have on small banks and small towns. The home loans this bank makes in the towns we serve do not fit into the secondary market. We have done five year balloon loans that range from ten thousand to hundred thousand dollars. This bank has experienced less than one tenth of one percent losses on these loans over the past five years. The balloon structure has allowed us to keep these rates very affordable for the home owner. If we can't continue to make these loans it puts the loans on our books in jeopardy, as well as the towns we serve, because it will drive down home values by decreasing the availability of affordable loans.

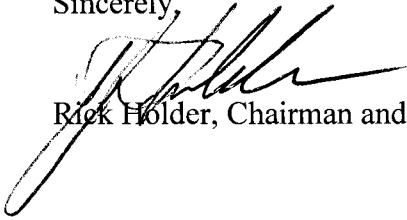
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Our bank also has two million in trust preferred securities that have allowed us to grow and serve other communities. I believe the thinking is the banks will just dig in their pockets and pay this off. The reality is the banks will have to shrink their assets and stop lending to get the capital back in line. I don't believe that is what this country needs at this time.

Traditionally banks have been bond holders through high and low interest rate environments. We have made it work by putting bonds on the books in each of these rate environments and holding to maturity. This rule will change the game and not for the better. We will see huge price swings with the speculation of rate changes. It will actually exaggerate these losses as institutions start dumping securities to avoid the losses. This rule will lead to less earnings and capital in community banks.

Community banks aren't broken lets not try to fix them. This is a great rule for the highly leveraged, real risk takers in our business.

Sincerely,

A handwritten signature in black ink, appearing to read 'Rick Holder', written over a horizontal line.

Rick Holder, Chairman and CFO of Stockmans Bank