



October 3, 2012

Federal Deposit Insurance Corporation

Sent via email

RE: Basel III FCIC RIN 3064-AD95, RIN 3064-AD96, and RIN 3064-D97

Ladies and Gentlemen:

I am writing to oppose the new proposed Basel III standards. I am also asking that community banks be exempt. Frankly, the whole proposal should be examined for the unintended consequences.

I feel the Basel III Proposal will cause an artificial credit crunch in our area and around the country, here is why:

In Cherokee County, where we are domiciled, the average home purchased/for sale is \$120,000. Right now, our bank could potentially make \$1 billion in 1-4 multi-family mortgage loans with existing risk weights. Let's take a look at the impact:

If the risk rating = 50%, $\$1 \text{ billion} \div \$120,000 = 8,333$ loans made

If the risk rating = 100%, $\$1 \text{ billion} \div \$120,000 = 4,167$ loans – a reduction of 4,166 loans

And if, the rating = 200%, as proposed, $\$1 \text{ billion} \div 2,083$ loans! – a reduction of 6,250 loans

Our banks will lose the ability to make loans and our capital would be drastically reduced. With Freddie Mac and Fannie Mae out of the equation, this will further lead to a "rationing of loans"

I am asking you to delay or suspend the new rules associated with the Basel III Proposal. Our industry depends on your support – so do the millions of consumers across the country. Please do not hamper community banks from doing what they do best – making loans in their communities.

Respectfully,

Jeff Austin, III
Vice Chairman

JAIII/dsd

CC: Eric Sandberg, Texas Bankers Association
Frank Keating, American Bankers Association
Congressman Jeb Hensarling
Congressman Louie Gohmert
Congressman Randy Neugebauer
Senator Kay Bailey Hutchison
Senator John Cornyn

200 E. Commerce Jacksonville, Texas 75766
903-586-1526 903-541-2086 Fax

Member FDIC