

October 19, 2012

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

Subject: Basel III FDIC RIN 3064-AD95, RIN 3064-AD96, RIN 3064-D97

To Whom It May Concern:

Thank you for giving us the opportunity to respond to the Basel III proposed requirements. I serve as a Director for Peoples Bank of Mendenhall, Mississippi. Our bank has approximately \$230 million in assets. We serve a basically rural area of Mississippi offering banking products such as commercial loans and residential mortgages.

Even though our bank is above the capital minimums in the proposed rules, I feel the changes could create undue hardships on community banks who do not have access to the monitoring and hedging tools of the large, internationally active banks. Changes in the risk weighting measures for residential loans as each loan will have to be individually risk weighted; which is time consuming and labor intensive. Implementing and monitoring of these requirements will increase the cost of these financial services to the community bank and also to the customers.

I believe that including **Other Comprehensive Income** in the calculation of minimum capital ratios should be revisited. Primarily, unrealized gains/losses should be included when they become tangible, i.e. when the gain/loss is **realized**.

BASEL III, I believe, was proposed as a common measure of evaluating large international institutions...community banks do not fit that profile and in my opinion should not be punished (held to the same capital requirements and risk measurements as the large international institutions). As you contemplate changes, revise those that apply to each particular banking industry.

Again, thank you for allowing me to comment and express my concerns on behalf of the bank and community I serve.

Sincerely,



Allen W. Gary, III, Director  
Peoples Bank – Mendenhall, MS