

**Congress of the United States**  
**Washington, DC 20515**

October 4, 2012

The Honorable Ben S. Bernanke  
Chairman  
The Federal Reserve System  
20<sup>th</sup> Street and Constitution Avenue, NW  
Washington, DC 20551

The Honorable Thomas J. Curry  
Comptroller  
Office of the Comptroller of the Currency  
250 E Street, SW  
Washington, DC 20219

The Honorable Martin J. Gruenberg  
Acting Chairman  
Federal Deposit Insurance Corporation  
550 17<sup>th</sup> Street, NW  
Washington, DC 20429

Dear Chairman Bernanke, Comptroller Curry, and Acting Chairman Gruenberg:

We write to express our concerns with the proposed Basel III capital requirements and their impact on community banks.

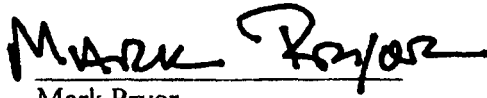
Over the past several months, community bankers across our state have expressed numerous concerns with the new rules and regulations they will soon face. They are allocating more resources – time and money – complying with new requirements instead of serving their customers and their communities. The largest banks may be well-equipped to take on new regulatory measures, but community banks serving rural Arkansas do not have unlimited resources.

As proposed, the Basel III capital requirements will add to the compliance burden of community banks. The new requirements will narrow the types of capital banks can have while establishing higher capital ratios and risk-weights for assets. Banks in Arkansas – indeed, across rural America – will be unable to deploy capital throughout their communities. As a result, qualified families will struggle to gain financing for their first homes and small businesses will have trouble getting much-needed lines of credit.

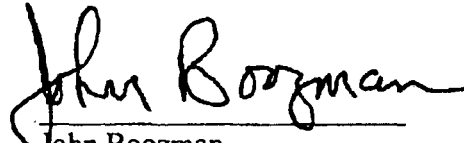
It is important to note that community banks are not opposed to any and all regulation. Like us, they understand the interconnectedness of the global financial system and the economy and recognize the need for rules to govern it. But we all believe that the federal government should strike the appropriate balance in meeting its objectives. Asking banks in rural Arkansas to comply with standards intended for large institutions fails to achieve that balance.

We understand and share your desire to strengthen our financial system. However, we ask that you carefully consider the unintended consequences of the proposed regulations on community banks.

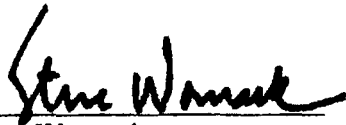
Sincerely,



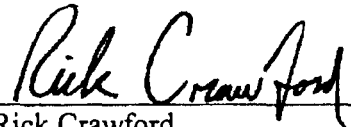
Mark Pryor  
United States Senator



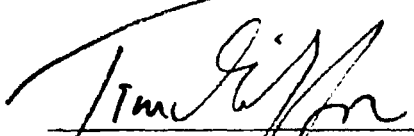
John Boozman  
United States Senator



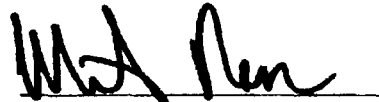
Steve Womack  
Member of Congress



Rick Crawford  
Member of Congress



Tim Griffin  
Member of Congress



Mike Ross  
Member of Congress