

October 18, 2012

Jennifer J. Johnson, Secretary
Board of Governors of the Federal Reserve
System
20th Street and Constitution Avenue, N.W.
Washington, DC 20551

Office of the Comptroller of the Currency
250 E Street, SW
Mail Stop 2-3
Washington, DC 20219

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

RE: Basel III Capital Proposals

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 reaching out to you in opposition of Basel III as a result of the potential impact on community banks. Fully aware that poor lending behaviors led our economy to financial distress, I do not believe community banks should feel the repercussions of larger financial institution misjudgments.

Basel III will impact our community bank in multiple ways such as the need for additional staff and systems to provide information needed to align our assets. It will be a challenge for us to comply with new capital requirements. Additionally, our line of customer products could be drastically affected as well as shareholder dividends.

As an employee of a community bank, I truly understand the importance of developing customer relationships. I feel Basel III will largely impact the ability to sustain such relationships while having less impact on larger financial institutions as I feel they tend not to foster such relationships.

Thank you for affording me the opportunity to share my concerns and I do hope you will give my comments consideration.

Sincerely,

Diane Armstrong
AVP/Human Resources Director