



JORGE I. TRIAY
PRESIDENT
VICE CHAIRMAN OF THE BOARD OF DIRECTORS

October 17, 2012

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

Re: FDIC RIN 3064-AD 95, 96, 97

Dear Mr. Feldman:

This letter is written in response to the proposed Basel III Notices of Proposed Rulemaking issued during June 2012 requiring banks to comply with same.

The proposal must be taken against the current level of regulations applicable to our banking community. Suffice it to say that more than anything else the high cost and necessary management attention to ever growing regulations make it increasingly difficult for community banks to operate profitably and remain in business. The regulatory bodies must find ways to reduce the burden to community banks rather than impose across the board rules for all banking institutions alike.

While I am in favor of strengthening financial institutions, increasing minimum capital requirements as Basel is proposing for Community Banks is not feasible. Our institution is well capitalized and our loan loss reserve is strong. Other than private stockholders, the community banks have very limited new capital sources. If such a requirement is implemented, it will be very difficult to continue providing new credit facilities to the communities that we serve, affecting job creation and economic growth.

In addition, the proposed treatment on "Available for Sale" debt securities as it pertains to Tier1 capital is very concerning. Under the "shock testing" scenario, a significant loss would be created which would curtail our operations making it very difficult to continue lending in our communities affecting job creation and economic growth.

Other concerns are as follows:

To avoid market swings, the funds would have to be invested on a short term basis affecting yield, earnings and organic capital growth.

Certain groups and maturities of debt securities will not be funded since the banks will test for interest rate swings.



With federal government debt downgrades, the bank's capital ratio will be reduced.

Reclassification to "Held to Maturity" will negatively affect our liquidity.

An issue which confuses me is the 1.25% limitation of risk based assets in the loan loss reserve. The banks need to build reserves and capital with the dollars from good times. The proposal will serve an unintended negative purpose.

The capital conservation buffer is devastating to the community banks. Full implementation of the 10.5% capital ratio by 2019 will severely restrict our operations.

Our bank is in South Florida. Most of our peers and competitors have concentrations in Real Estate primarily in Commercial Real Estate. Even though the markets have suffered, the values are on the rise but lending in this area is already curtailed. Additional restrictions would only worsen this situation.

Community Banks are the primary lenders to the small business community. As we consider regulations such as Basel, the lending function for a community bank continues to be reduced which will have a significant impact on job creation, wealth creation, economic growth and income tax generation.

My final point has to do with risk rating assets which will curtail loan activity. Regulators cannot pick winners and losers

We need your help to get our economy going strong again with the full participation of America's community banks. Basel III was meant for large complex financial institutions, not community banks.

Thank You for your favorable consideration of our proposals.

Sincerely,



Jorge I Triay