



BANK of PONTIAC

October 18, 2012

Mr. Ben Bernanke
Chairman
Board of Governors of the Federal Reserve System
20th Street and Constitution Avenue, NW
Washington, DC 20551

Mr. Martin J. Gruenberg
Acting Chairman
Federal Deposit Insurance Corporation
550 17th Street, NW
Washington, DC 20429

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

Re: *Proposed Rulemaking on Minimum Regulatory Capital and the Standardized Approach for Risk-weighted Assets*
Basel III Docket No. 1442
Basel III FDIC RIN 3064-AD95, RIN 3064-AD96, and RIN 3064-D97
Basel III OCC Docket ID OCC-2012-0008, 0009, and 0010

Dear Sirs:

As President & CEO of Bank of Pontiac in Pontiac, Illinois, I am writing to express the views of our bank in regard to the proposed rulemaking item referenced above. Bank of Pontiac is a community bank located in rural Central Illinois whose primary regulator is the Federal Reserve. We offer a full range of banking and trust services that include lending as it pertains to small businesses, agriculture, and consumer and residential mortgages. Our average total assets are currently \$375,000,000.

MAIN BANK
300 W. Washington St.
P.O. Box 710
Pontiac, IL 61764-0710
Phone 815/844-6155
Fax 815/842-2977

ODELL BANK
200 S. Waupansie St.
P.O. Box 350
Odell, IL 60460-0350
Phone 815/998-2131
Fax 815/998-2431

WEST BANK
1703 W. Reynolds St.
P.O. Box 72
Pontiac, IL 61764-0072
Phone 815/842-1069
Fax 815/842-1705

DWIGHT BANK
132 E. Main St.
P.O. Box 189
Dwight, IL 60420-0189
Phone 815/584-1855
Fax 815/584-1934

Our business model and philosophy is to be well-capitalized, as this has provided us with the ability to serve our customers and the communities that we help support. It is our ongoing philosophy to remain a well-capitalized bank.

To impose these new rules on a bank such as ours would only serve to increase regulation and costs in regard to finances and personnel. It is our belief that these resources would be better-used for our customers and communities, and I would like to request that Bank of Pontiac and all community banks be exempt from the proposed implementation of the Capital NPRs and allow us to continue to operate under the capital requirements of Basel I.

It is our understanding that these new NPRs are intended and needed for much larger financial institutions that would cause a systemic problem if they were to fail. As we all know, small community banks are not considered to pose any threat of this nature to the entire financial system.

Thank you for giving us the opportunity to share our views and for your consideration in granting small community banks exemption from the requirements of Basel III.

Respectfully,

BANK OF PONTIAC

Bill Kauffman
President & CEO

BK/jr