



October 18, 2012

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

RE: Basel III FDIC RIN 3064-AD95, RIN 3064-AD96, and RIN 3064-D97 (Comment on proposed Standardized Approach for Risk-weighted Assets)

Dear Mr. Feldman:

Republic Bank & Trust is a state non-member bank principally located in Norman, Cleveland County, Oklahoma, with average assets at June 30, 2012 of \$387,212,000 and \$33,677,000 of Tier 1 capital.

Oklahoma and more particularly, central Oklahoma, has avoided most of the financial reverses that affected the rest of the country. Our real estate markets have continued to prosper, which has greatly contributed to the success of Republic Bank.

For more than twenty years, Republic Bank has originated and sold into the secondary market, 1-4 family mortgage loans originated for our customers. These mortgage loans sold currently contain a put back for early payment delinquency only. As you may be aware, the current risk based treatment of these loans provides for exclusion from risk weighting.

Under the proposed standardized approach, we have estimated that our 1-4 family mortgage loans will average a risk weighting of 75%. As of June 30, 2012, under the proposed standardized approach, the current mortgage pipeline will cause \$39,826,000 to be added to the Bank's risk weighted assets and therefore, to maintain the Bank's current risk based capital ratios, approximately an additional \$5,300,000 will be necessary.

Based on this required additional capital and the current estimated earnings from the origination and sale of these mortgage loans, if the proposed standardized approach is approved, it is unlikely that Republic Bank will be able to continue originating 1-4 family mortgage loans for sale into the secondary markets. I'm confident that Republic Bank is not the only community bank in the United States with these concerns.

Mr. Robert E. Feldman

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The adoption of the standardized approach for 1-4 family mortgage loans will deprive our community of a source of mortgage loans that would continue the currently healthy real estate market.

Sincerely,

A handwritten signature in blue ink that reads "Donald A. Pape". The signature is written in a cursive style with a large, looping initial "D".

Donald A. Pape
Chairman of the Board

DAP/shf

CC: Mr. Mick Thompson, Commissioner
Oklahoma State Banking Department