

October 9, 2012

Jennifer J. Johnson, Secretary  
Board of Governors of the Federal Reserve  
System  
20th Street and Constitution Avenue, N.W.  
Washington, D.C. 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, D.C. 20429

Re: Basel III Capital Proposals

Ladies and Gentlemen:

Thank you for the opportunity to provide comment on the Basel III proposals<sup>1</sup> 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 work in a small community bank. The contents of the Basel III will place a lot of restrictions on community banks. We would need to build additional capital balances to meet the minimum capital requirements. It will cause small community banks to be penalized since it will be too complicated and be a regulatory burden.**

**Community banks should be allowed to stay with the current Basel I risk weight framework for residential loans.**

**As a small community bank we have a close relationship with our customers. We feel this contributes to the success of community banks all over the United States through common sense approaches to managing risk.**

**Please reconsider your proposal of Basel III for community banks.**

Sincerely,

**Patty J. Ellis**  
**Chief Operations Officer**  
**Whitesville State Bank**

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<sup>1</sup> The proposals are titled: *Regulatory Capital Rules: Regulatory Capital, Implementation of Basel III, Minimum Regulatory Capital Ratios, Capital Adequacy, and Transition Provisions; Regulatory Capital Rules: Standardized Approach for Risk-weighted Assets; Market Discipline and Disclosure Requirements; and Regulatory Capital Rules: Advanced Approaches Risk-based Capital Rules; Market Risk Capital Rule.*