

October 11, 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 proposals¹ 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.

Considering the volatility of other comprehensive income the impact of Basel III for community bank will be significant. For my bank changing the risk weights for home mortgages and the changes to trust preferred securities will also adversely impact our tier one capital. In order to stay within the regulatory minimums we would have to make significant changes to the way we do banking. These changes would include downsizing down our home mortgage program which would negatively impact our customers. Our customers would be forced to shop out of area to find funding to buy a home, in this time of economic crisis this would cause the situation to worsen.

Considering all of the steps that have been taken to help banks survive the current crisis it is counterproductive to implement Basel III for community banks. Let's not undue what recovery we have experienced so far by endangering a vital element of America's financial network, community banks are good for our country.

Sincerely,

Jean Kreger
Vice President—Operations

¹ 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*.

The Eastern Colorado Bank