

From: [Nolen Taton](#)
To: regs.comments@federalreserve.gov; [Regs.Comments](#); comments@FDIC.gov
Cc: [Jorn, Thomas](#); [Osborne, Keith](#)
Subject: Basel III Proposal Comments from Nolen Taton (Kansas)
Date: Thursday, October 18, 2012 11:35:40 AM

October 18, 2012

- **Department of the Treasury: Comptroller of the Currency**
Regulatory Capital Rules: Standardized Approach for Risk-weighted Assets;
Market Discipline and Disclosure Requirements

- **Federal Reserve System**
Docket No. R-1442; RIN No. 7100 AD 87 Regulatory Capital Rules

- **Federal Deposit Insurance Corporation**
FDIC RIN 3064-AD 96 Regulatory Capital Rules

Dear Agency Representatives,

I sincerely appreciate the opportunity to submit comments to the Federal banking regulatory agencies regarding the proposal addressing Regulatory Capital Rules: Standardized Approach for Risk-weighted Assets, Market Discipline and Disclosure Requirements. I partially own and am CEO of a rural Kansas community bank with facilities in two other small communities in our county.

One of my concerns is that the proposal was not written by those who I know to be experts on the United States banking industry. There was no input requested from those who I believe to be personally knowledgeable on community banking: along with no oversight of the content in any way, shape or form, by those who I believe to have direct community banking expertise. However, actually, I agree that re-establishing capital levels is needed, so that we understand what is expected as an industry. It is a great concept. However, I believe that those who know the industry best should be writing the rules, or at the least, having input or oversight into the content of the rules.

To this point, I do not oppose those who believe this proposal should be discarded, so that the banking regulatory agencies can draft meaningful regulations that are more representative of and responsive to the industry.

I do agree that the banking regulatory agencies understand that a “one-size-fits-all” approach to capital standards does not represent Community banks as it is today. I believe that there are many commercial bank “shapes and sizes” that exist across this country, and each and every model serves a purpose —each particular model is responsive to the needs of our “communities” we serve. It is paramount we preserve the industry’s right to remain innovative and to choose to serve small rural communities as mine. My bank is far less complicated than others. **Our rural bank(s) deserve less complicated capital requirements.** I completely realize there are others whose level of sophistication is such that more layers are needed to assure the capital stays strong and the institution secure.

By now you have received numerous specifics from banks as to the short-comings of the proposal. Therefore I will not re-draft them as I agree with all that banks and banking associations are pointing out. I especially disagree with any use of “unrealized gains and losses”. **What a distortion of REAL capital this would bring about.**

I strongly urge the banking regulatory agencies to consider the need to start over on this proposal to restructure the capital needs of the various banks across the country.

Thank you for your generosity of time and consideration concerning this very important matter.

Cordially,

Nolen G. Taton
Pres./CEO
St. John National Bank
Saint John, KS.

Rural community bank of about \$80M in assets.