



FIRST SECURITY BANK



September 25, 2012

Federal Deposit Insurance Corporation
550 17th Street NW
Washington, DC 20429

RE: **Basel III FDIC RIN 3064-AD95, RIN 3064-AD96, and RIN 3064-D97**

Dear Bank Regulator,

Extending Basel III to the community banks is bad for competition. The megabanks this regulation was intended to cover will find this relatively easy to comply. They have in-house attorneys and accountants to deal with all of the complexities of the proposed regulations. For community banks that are already burdened with massive changes in regulations, that cost is huge.

Community Banks are not and were not too big to fail institutions where one failure can affect the stability of our entire national economy. Forcing community banks to comply has the unintended consequence of giving massive institutions a competitive edge.

In our small community, we have many small house loans because these properties are too small for the secondary market of Fannie and Freddie. These small loans are important to the community. The High Price Mortgage Loan requirements have already made a big part of this market impractical as we don't have the staff to keep up with escrow accounts. This means this segment of the market will not be served. Implementing more capital requirements will make the real estate market in our area even harder to service.

A one-size-fits-all solution is not what we need here.

Very Sincerely,

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