



October 22, 2012

Ben Bernanke, Chairman  
Federal Reserve Board of Governors

Martin J. Gruenberg, Acting Chairman  
Federal Deposit Insurance Corporation

Re: Basel III Docket No. 1442  
Basel III FDIC RIN 3064-AD95, RIN 3064-AD96, and RIN 3064-D97

Dear Chairman Bernanke and Acting Chairman Gruenberg,

Our bank has \$340 million in assets and 130 employees. We are laboring in an environment involving increased regulatory scrutiny in compliance exams and the new burdens being placed on us by the Dodd-Frank Act. Our compliance costs have increased significantly over the last 10 years.

It appears that this proposal will require all banks to collect new and often granular information in order to calculate risk weight assets with existing loans NOT being grandfathered. The complexity of the data requests most likely means that we will also have to install new software systems and/or look for third parties to provide them. **None of these requirements will allow us to help our customers in our community.** The compliance costs will pull money out of capital and earnings rather than help our borrowers.

The increasing cost of compliance for community banks is leading to more consolidation in our industry. Basel III, as proposed, will only accelerate this trend.

From our perspective, **community banks still serve a vital function in our economy.** It would be a shame if these new international capital requirements help lead to their demise.

Sincerely,

Teri Owen  
Vice President/Branch Manager

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