

From: Terri Thompson [mailto:tthompson@aebbank.net]

Sent: Tuesday, September 25, 2012 3:06 PM

To: Comments

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

I am a Vice President and Compliance Officer for a small community bank. Our assets are less than 100 Million. We have a very large commitment to our community. All employees are expected to support activities and organizations in our trade area. We were gearing up for all of the Dodd-Frank and new CFPB regulations. These are a very expensive endeavor for a bank of our size, but we thought we had these items under control when the new BASEL III became an issue for not just the large billion dollar banks but for our bank as well. We do balloon residential loans and service all of these in house which keeps costs down for our customers. We currently have no fees on this type of loan, but with the requirement from BASEL III this type of loan has a 150% risk rating. This type of loan would be cost prohibitive for our bank to continue making. 65% of our loan portfolio consists of real estate loans. It would leave a very large void in our community. It is imperative that this rule be reevaluated to only apply to very large banks.

Sincerely,

Terri Thompson
Vice President
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