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Federal Deposit Insurance Corporation  
Millennium in Midtown  
10 Tenth Street, N. E.  
Suite 800  
Atlanta, GA 30309-3906

RE: FDIC RIN 3064-AD95 and FDIC RIN 3064-AD96

Dear Sirs:

Community banking has a particular place in the finances of America. These small institutions are not involved in international finance, currency trading, derivative trading or speculation in securities. The community banking model is one of deposit taking, lending and servicing individuals, families and businesses in a local trade area.

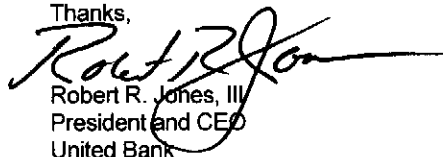
Several proposed rules, recently published for comment, are detrimental to the community banking model and their customers. They directly inhibit profitability, increase the need for capital and potentially restrict the availability of loans to individuals and smaller companies.

The change in risk weightings for mortgages is one example. Specifically, the risk weighting for 1-4 Family Residential Mortgages with a balloon will increase to 100% from 35%, creating a significant increase in risk weighted assets. Community banks do not hold 30 year, fully amortizing loans as the interest rate risk is significant, and they make balloon loans to both reduce risk and accommodate the needs of the customer. This is especially problematic in rural areas where homes often have difficulty qualifying for conforming mortgages. The increase in weighting has the potential of restricting the availability of credit to the community.

The inclusion of unrealized gains or losses on fixed income investment securities will introduce possibly significant volatility into the capital base of the community bank. This comes at a time when interest rates are being held artificially at historic low levels, greatly increasing the potential for large reductions in capital and thus lending.

Most community banks are small and serve a specific locale, their ability to increase capital is severely limited. Many community banks took advantage of the opportunity to increase their capital by issuing a limited amount of Trust Preferred Securities under the currently existing rules. If the rules are changed to eliminate this as a source of capital, some community banks will have no choice but to reduce the amount of the higher risk weighted assets, loans, to maintain capital levels. This will serve to reduce the supply of new credits in the community.

Thanks,



Robert R. Jones, III  
President and CEO  
United Bank

C: Senator Richard Shelby (via fax)  
Representative Spenser Bachus (via fax)  
John Harrison State Banking Department (via fax)