

From: Glen Allen Wood [mailto:2th-dr@mchsi.com]
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To: Comments
Subject: Basel III

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Mr. Robert E. Feldman, et. al:

I would encourage the FDIC to exempt Community Banks (say those with total assets under \$750million) from the proposed Basel III capital rules and allow them to continue under the Basel I regulations. The Basel III capital proposal is an additional regulatory burden under which community banks would be required to operate, and this will surely have severe adverse consequences on the community banking sector.

The risk ratings, particularly in the mortgage loan category, seem excessive and will very likely discourage community banks from making mortgage loans, when this is a service that said banks should be providing to their communities.

Regulatory burdens--in place and proposed--also tend to discourage community banks from making loans to small businesses. Since small businesses are the source of many employment opportunities, i.e. **job creation**, it seems perverse for regulatory agencies to be hampering such loan activity rather than promoting it.

Please recognize that community banks fill a very important role in providing credit that the regional and money center banks make very little, if any, effort to fill.

Sincerely,

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