



Your Bank. Your Trust.

October 5, 2012

**Robert E. Feldman**, Executive Secretary  
Attention: Comments/Legal ESS  
Federal Deposit Insurance Corporation  
550 17th Street N.W.  
Washington, DC 20429  
**Delivered via email** [comments@FDIC.gov](mailto:comments@FDIC.gov)

**Jennifer J. Johnson**, Secretary  
Board of Governors of the Federal Reserve System  
20th Street and Constitution Avenue N.W.  
Washington, DC 20551  
**Delivered via email** [regs.comments@federalreserve.gov](mailto:regs.comments@federalreserve.gov)

**Office of the Comptroller of the Currency**  
250 E Street SE  
Mail Stop 2-3  
Washington, DC 20219  
**Delivered via email** [regs.comments@occ.treas.gov](mailto:regs.comments@occ.treas.gov)

Re: Basel III Capital Proposals  
OCC: Docket ID OCC-2012-0008  
OCC: Docket ID OCC-2012-0009  
FRB: Docket No. R-1430; RIN No. 7100-AD87  
FRB: Docket No. R-1442; RIN No. 7100-AD87  
FDIC: RIN 3064-AD95  
FDIC: RIN 3064-AD96

**Ladies and Gentlemen:**

BASEL III raises major concerns about the long term viability of banks and the availability of credit in communities we serve!

**BASEL III**

**Page 2**

**October 5, 2012**

Phasing out of Trust Preferred Securities (TRUPs), changing the treatment of unrealized gains and losses of Available for Sale Securities (AFS) and making the Risk Weighting of Assets more stringent are a recipe for community banks to have significantly less capital. This reduction in capital will have the effect of fewer loans to clients in our communities.

Steele Street Bank & Trust has been a very successful community bank in Denver that just celebrated its ninth anniversary. We have always achieved the highest regulatory ratings when it relates to bank Capital. We are one of only a handful of healthy and thriving community banks dedicated to the Denver market. We have been able to actively expand our market share by increasing community lending and deposit relationships.

For several years the near constant refrain from the public, public officials, media and others has been for banks to lend more to create more jobs. Basel III goes in the opposite direction: less credit, more expensive credit, fewer businesses (especially small businesses) due to credit restrictions and greater expense, and fewer jobs. Banks caught between popular demand for more credit, and regulators' aversion to any risk is not what we need as a country. Society is not well served by risk-free banks that make no loans.

The nature, scope and complexity of the Basel III capital requirements appear to be a complete over reaction. We believe this will have a big negative impact on individual businesses, the general economy and most importantly, the future of our community!

We request a complete withdrawal of the proposed regulation.

Sincerely,



Brian R. Wilkinson

President