



First United Bank

AND TRUST COMPANY

Experience It

October 12, 2012

The Honorable Marty Gruenberg
Acting Chairman
Federal Deposit Insurance Corporation
550 17th Street, NW
Washington, DC 20219

Dear Acting Chairman Gruenberg:

I am president of a community bank in western Kentucky. Seventeen years ago, a group of local business men came together to form First United Bank. Their purpose was to create a community bank that would serve the needs of local businesses and residents opposed to the regional banks that had spread their tentacles into our small town.

Since that time, our bank has grown and prospered. But more importantly, as our founders had hoped, we are serving the needs of small businesses and growing families here in western Kentucky. In addition, we give tens of thousands of dollars each year to deserving social service agencies and local schools. We are THE bank that these people look to for support, because the larger banks have no ties here.

It is important for you to understand the fabric of our organization and its role in the community. I say this because I am concerned that the proposed capital rules could seriously inhibit banks such as First United Bank in fulfilling their mission of serving small communities. As you know, community banks have very limited access to capital markets. In our case, we must rely on the bank's officers, directors and shareholders to raise additional capital. In light of economic conditions, raising capital in this environment is difficult at best. These proposed rules are extremely complex and require the reporting and maintaining of intricate data, greatly increasing the already overwhelming compliance burden on small community banks. These proposed rules will eat up valuable resources and take our focus away from where it should be, serving the needs of our customers.

Our bank is an American success story, no doubt. An independent business started by men with a vision to help the community, free enterprise at its best. I know that you understand the importance of supporting and continuing to foster success stories like ours in the financial industry. Basel III, and like proposals, does not support community banks. It will further impede our ability to fulfill our mission, and at worst require some of us to give up, limiting choices for consumers in small markets.

I certainly understand that capital is an important source of strength in our financial system. But, so is the web of community banks across America. These are the banks that are getting it right. Please do not punish community banks for the sins of the larger ones.

Respectfully,

Karen S. Glenn
President/CEO