



Bank of Vici

Box 727 / 121 W. Broadway

Vici, Oklahoma 73859-0727

Member F.D.I.C. 580-995-4231

Travis Dennett Senior Vice President

tdennett@bankofvici.com

10-17-12

Robert E. Feldman, Executive Secretary
Attention: Comments/Legal ESS
Federal Deposit Insurance Corporation
550 17th Street, N.W.
Washington, D.C. 20429

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

Dear Robert,

I am the Senior lender at the Bank of Vici in Vici Oklahoma (Western). We are a small family owned bank with Assets of less than \$50 million. The Town of Vici has a population of 800 with 4500 in our county. We live in rural America.

The reason for this letter is my concern with Basel III. In a Community Bank, especially our size, the effects will be devastating to not only this Bank but our community as well. The Bank of Vici will not be alone, all Community Banks serving the rural areas will be adversely effected to the point that we will not be capable of serving the community. This kind of wide spread economic devastation will eventually close rural America.

Specifically, the issues involved in Basel III that concerns us are:

1. 1-4 Family Home Loans with a balloon feature being assigned a 100% risk weight. The balloon feature allows us to mitigate interest exposure. These are not sold on the secondary market in our banks. They have sufficient margin due to our down payment requirements. We have produced these loans for years without any negative impact on our customers or our bank. Our customers need these types of loans to financially survive as well as the Bank needs this type of lending to survive.
2. The treatment of Municipal Bonds. Most Community Banks purchase their "local bonds" to help the immediate trade area. These Bonds are not "rated". We have intimate knowledge from our community involvement as to the quality of these investments - we know "our" business. We feel like we can decide if it is a good investment or not, consequently the external cost to analyze them will make it impossible to purchase this kind of investment, ultimately eliminating any Municipal improvements. These kinds of Bonds are what fund our Schools' and Towns' capital improvements. These small municipalities cannot afford to hire packagers for their Bonds to sell on the market. They will just do without.

In conclusion, the Community Banks are overwhelmed by government regulations. This proposal adds economic burdens to the extent of eliminating business from our industry directly affecting our customers and our community.

Thank you for taking the time to read my comments.

Sincerely,

A handwritten signature in blue ink, appearing to read "Travis Dennett", with a large, sweeping flourish extending to the left.

Travis Dennett
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Senior Vice President
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