

September 5, 2012

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

RE: Basel III Capital Proposals – RIN 3064-AD95 and RIN 3064-AD96

Dear Mr. Feldman:

I am writing this letter to provide comment on the Basal III proposals.

I am concerned that small local banks like ours are being included in this proposal. Our simple and conservative lending model did not cause the “financial crisis”, but yet we are being painted with the same brush as the larger banks that strayed from sound lending practices.

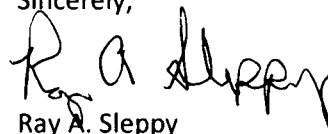
Elderton State Bank over the past several years has grown steadily by making solid local agriculture and business loans. We hold our loans and service our customers at their place of business. During the economic down turn we worked with our customers, our Bank earnings remained strong and our delinquencies ended July 2012 slightly over 2%.

When we as a community lender should be focusing on writing good business loans that create local jobs we will now be forced to build additional capital.

Community banks that did not participate in the sub-prime debacle are being penalized by the new capital requirements and increased regulation. A “one size fits all” requirement will significantly impact our ability to survive and negatively impact the local customers’ ability to obtain financing.

Thank you for considering these comments.

Sincerely,



Ray A. Sleppy

Vice President & Senior Loan Officer