

North State Bank

September 5, 2012

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

Re: Basel III Capital Proposals

Dear Mr. Feldman:

The following are my comments on the Basel III proposals that were recently approved by the Federal Reserve Board, the Office of the Comptroller of the Currency, and the Federal Deposit Insurance Corporation.

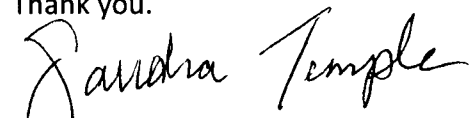
I've been a banker in community banks for over 25 years. I've worked hard to develop strong customer relationships that have survived numerous swings in the economy. My customers are hard working business owners that depend on the products and services we've created specifically for their needs. While larger banks on Wall Street were betting on the demise of the housing market, making subprime loans, etc., my bank was trying better to understand the needs of our customers and understanding the potential for risk. While I understand the need for strong, well capitalized banks, the implementation of Basel III will significantly hinder my ability to serve my customers of the past 25 years. The writers of this bill seem to be lumping all financial institutions together regardless of their size and or financial stability. I've heard it said by more than one examiner that there is intent to reduce the number of banks in the United States in order to better maintain the regulatory process. As a taxpayer and an individual who is proud to be a banker, I certainly hope that is not the overall intent of Basel III. Reducing the number of banks in the United States will only lessen the choices of the typical consumer for banking services.

In summary, Basel III will put many community banks out of business due to the increased capital requirements. It will limit lending at a time when people are struggling to make ends meet. It will hinder businesses trying to survive in an already precarious economic environment. It will undoubtedly threaten the nation's economic recovery regardless of who wins the next presidential election.

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My vote during an election or my tax dollars paid each year are certainly not significant enough to change the course of our government. But, I would hope that my comments will warrant your time in reading.

Thank you.

A handwritten signature in black ink that reads "Sandra Temple". The signature is written in a cursive style with a large initial 'S'.

Sandra A. Temple
Chief Operations Officer
Executive Vice President