

August 24, 2012

**RECEIVED**

**SEP 25 2012**

**FDIC  
KANSAS CITY REGION**

Federal Deposit Insurance Corporation  
550 17<sup>th</sup> Street NW  
Washington, DC 20420-9990

**RECEIVED**

**SEP 25 2012**

**FDIC  
KANSAS CITY REGION**

Gentlemen:

As a near retiring more than forty five year banker, I pretty much have seen everything there is to see in the way of banking. Well, maybe not. I recall our making loans on simple forms to people we trusted and who trusted us. I know that lending changes and we no longer can do what was done then. Today, the forms for a simple four figure loan are many, many pages long and the customer never reads them. And this forty-five plus years of experience gives me a pretty good indication what the customer is willing to read, and they are not wanting to read all the boiler plate. They ask what the rate is and what the payments are and for how long. That has not changed and there is a relationship developed between banker and customer.

Basel III! Now that is one that really makes sense for small banks who pretty much have everything on the balance sheet and fully expose themselves to whomever wants to read it. What else can be done to expose banking to smaller profits to satisfy regulators! The cost of doing so goes along way to harm the safety and soundness of an organization like ours, and, lastly, the long-term viability of an organization.

If you want to know why this is damaging, I will tell you. Today, we have a practically full time outside consultant to do nothing but review and advise us on practically everything we do in the bank. If that is not enough, we have our staff devoting unaccountable hours to compliance and regulatory chores that add up in the tens of thousands, and probably more than \$100,000, on top of the outside consultant's \$50K. Now, the new Washington consumer compliance bureau issued approximately 1,100 or so pages of new rules for banks to digest.

What Community banks need are more regulations and Basil iv, v and so forth. Every year you read how they are going to simplify the regulations we already have to make it more personal between banker and customer. Of course, we know what will happen and we know we can anticipate adding \$\$\$\$s to budgets to cover the cost of added "simplification."

Sincerely,

  
Leroy Zapalac