

From: Joy Wittman [mailto:jwittman@aebbank.net]
Sent: Thursday, August 09, 2012 4:52 PM
To: Comments
Subject: Basel III NPR

FDIC,

RE: Basel III NRP & Standardized Approach for Risk Weighted Assets

We are a small community bank in the middle US.

With all of the proposed regulations, the Bank as we know and love, could be in jeopardy.

Basel III was meant for the large international banks, which we are not.

Understand that implementation starts in 2013, I read this morning that the economic predication is that things will not improve until 2013, possibly 2014, how is the Bank supposed to recover from recession and depressed real estate values, low unemployment and at the same time try to adjust to build for new Capital standards?

At the present time we do balloon loans for interest rate risk management, raising the risk weights on 1-4 family may hinder our ability to make real estate loans.

With the inclusion of Accumulated Other Comprehensive Income (AOCI) we feel that we would have to hold additional capital to compensate for increased volatility, and be almost impossible to form a capital planning program.

Since interest rates are more than likely to move up, we could possibly see capital reductions.

Our feeling is that this regulation should not apply to small community banks.

Thank you for your consideration.

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