

American Exchange Bank

September 19, 2012

Mr. Bobby Bean
Associate Director for Capital Markets Branch
Federal Deposit Insurance Corporation
550 17th Street NW
Washington, D.C. 20429


Dear Mr. Bean:

You will find enclosed a copy of a letter I recently mailed to Senator Coburn. It makes plain my comments on all of the rules that have been placed on community Banks.

It seem that the government is doing everything it can to put local community Banks out of business.

Thank you for your consideration of my comments.

Sincerely,



Lawrence Reingold
Vice President

LIR/pmp

September 11, 2012

Tom Coburn, MD
U.S. Senator
172 Russell Senate Office Bldg.
Washington, D.C. 20510

Dear Senator Coburn:

The government is making it much more difficult for a community Bank to stay in business. They are asking us to make comments about a rule that they have not finalized. It is hard to comment when you are not certain what you are commenting about. It has not been formally published in the Federal Register.

The new proposed Basel III standards are the problem at this time. It is a nightmare for a community Bank to keep up with the different capital requirements. Not sure that most community Banks have the expertise to keep tabs.

Also part of the proposal, the new risk-weighting rules will change our ability to make mortgage loans and keep them in house. These loans amount to 70.75% of our loan portfolio. We balloon our loans on a 7 year basis on residences and 5 years on commercial property and land. They propose that we make the loan on 20 year basis on residences and 15 years on commercial property and land loans. Then the FDIC will be after us for not being able to re-price our loans. (Manage interest rate)

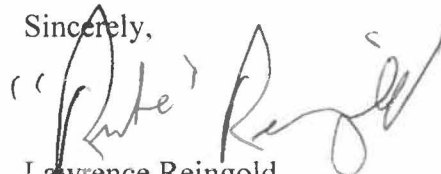
All of these increased capital requirements lessen the amount of money we have available to loan to our customers.

Banking was a pleasure for years as we were able to help our customers achieve their life dreams. Then came the Fannie Mae – Freddie Mac – Washington Mutual meltdown. Community Banks were not the cause but have suffered greatly from the laws passed since.

Dodd – Frank and the Consumer Protection Bureau are placing so many additional requirements that it is prohibitive to have staff in house to comply with all the rules. Outsourcing is very expensive and will increase greatly as there are a limited number of sources able to assist community Banks with the advice to cover all bases.

Thank you for allowing me to vent my frustrations with the present situations. Anything you can do to relieve the boot on our throat will be appreciated.

Sincerely,

A handwritten signature in black ink, appearing to read "Lawrence Reingold". The signature is written in a cursive style with a large initial "L" and "R".

Lawrence Reingold
Vice President

LIR/pmp