
From: Jim Bennett <jbennett@calhounbanks.com>
Sent: Friday, October 05, 2012 10:49 AM
To: Comments
Subject: Basel III FDIC RIN 3064-AD95, RIN 3064-AD96, and RIN 3064-D97

October 4, 2012

The Honorable Ben Bernake
Chairman
The Federal Reserve System
20th. Street and Constitution Ave. N.W
Washington, D.C. 20429

The Honorable Tom Curry
Comptroller
Office of the Comptroller of Currency
250 E St., SW
Washington, D.C. 20219

The Honorable Marty Gruenberg
Acting Chairman
FDIC
550 17th St. NW
Washington, D.C. 20429

Dear Chairman Bernanke, Comptroller Curry and Acting Chairman Gruenberg:

I support your efforts for strong capital standards for the banking industry in light of the financial crisis our industry has experienced since 2008, however, Basel III is not appropriate for Community Banks. To use such complex calculations designed for large banks involved in international banking and apply those same standards to small community banks is not reasonable. Calculations for capital adequacy should be developed that address the Community Banking system in United States, not a one size fits all approach.

Calhoun County Bank has served this community for 112 years. Mortgage lending represents approximately 50% of our loan portfolio and has always been our lowest risk lending with very minimal losses over the years. Our market area is a rural area and somewhat remote. We estimated that only ten percent of our current customer base or properties could qualify for a mortgage under the secondary market guidelines. Basel III in this present form combined with the proposed regulations from the CFPB will force many Community Banks out of the mortgage loan business since they will not be able to comply with the overwhelming regulations and restrictions. The economic impact to rural areas will be catastrophic if this is allowed to happen.

As you review these proposed rules, it is my hope you consider the complexity and the unintended consequences of these global rules which adds little value to the community banking system your agencies regulate and monitor.

Sincerely,

James L. Bennett
President
Calhoun County Bank
Grantville, WV 26147