

**From:** Jim Bohls [mailto:jimb@fsbtexas.net]  
**Sent:** Tuesday, August 28, 2012 3:17 PM  
**To:** Comments  
**Subject:** Basel III FDIC RIN 3064-AD95, RIN 3064-AD96 and RIN 3064-D97

Dear Sirs:

Our bank has \$120MM in assets and 60 employees with locations in seven small communities. We are already laboring in an environment involving increased regulatory scrutiny in compliance exams and the new burdens placed on us by the Dodd-Frank Act.

It appears that as proposed, Basel III will require us to change our internal reporting systems and provide additional personnel and training. The complexity of the data requests means we will have to install new software systems or look for third parties to provide them. **None of these requirements will allow us to help our customers in our community and help our communities grow. The compliance costs will pull funds out of capital and earnings rather than help our borrowers.**

This increased cost of compliance for community banks is leading to more consolidation in our industry. Basel III, as proposed, will only accelerate this trend to the detriment of our local communities.

I have been in banking since 1974. From January 1978 to June 1983, I was a Bank Examiner for the State of Texas. In 1982-1983 there was a move to implement these same Basel III Capital Requirements. At that time they were found to be too inequitable to small banks and too complicated to calculate for a limited staff. It simply seems unfair that at a time community banks like ours, are already subject to mounting regulations due to the actions of the Too-Big-To-Fail banks, that an additional realignment for calculating capital that is detrimental to locally owned small banks that have limited sources of capital, is even being considered.

Thank you for your consideration of the needs of small community banks.

Sincerely,

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