From: Wade Gort <Wade.Gort@epremierbank.com>
Sent: Wednesday, October 10, 2012 10:04 AM
To: Comments
Subject: Basel III FDIC RIN 3064-AD95, RIN 3064-AD96, and RIN 3064-D97

To whomever is ever listening:

The Basel III proposals are intended for large, complex, and internationally active banks. We are a $250 million dollar institution in the middle of Iowa. Tell me how this proposal is being pushed down on our bank? If the Regulatory Agencies agree to increase the minimum capital required to run a bank so be it but the manner in which this mandate is being handled is not right. I have serious problems with the newly proposed risk weighting for certain assets. Risk weighting 1-4 family loans is crazy. We are a de novo bank of the Class of 1997. Our net charge-offs since opening 15 years ago have been $1,250,000. Our losses on 1st lien 1-4 family loans is $13,151.85 on 2 loans. Our total losses on 2nd lien 1-4 family loans is $13,959.05. All of our in-house loans have been 3-yr ARM's until Regulators decided how we should price our products with the "high priced mortgage loan" rules about 3 years ago. For the last 3 years we have been doing 3-yr balloon loans for our in-house residential loans. Your risk weighting proposal will do nothing of improve Premier Bank's risk profile since our losses in this line of business have been next to nothing. This proposal does incent us to stop making in-house residential mortgage loans due to the additional capital required to make the least riskiest loan we hold in our portfolio. I also do not understand why the correlation between your new proposals and ALLL's. If we are assessing our loss exposures appropriately why would we need to further keep additional capital for any loan category on our books. It seems like the new proposal requires us to more than double our capital/reserves for the same exposure. Can't we only lose a loan once?

I also have grave concerns of including our gain or loss on securities into our capital computation. This is a mistake and should be dropped from your plans. This can be a very volatile number and in periods of large interest rate movements could cause many banks temporary capital issues that really don't have any effect on the safety and soundness of an institution. I would like to see the list of financial institutions that failed due solely to the losses they sustained in their investment portfolio. I am assuming this list is very short if any.

Please reconsider your plans to make these rules stand for all financial institutions. For our bank and many like us this makes no sense and increases our cost to comply if we can comply.

Sincerely,

Wade Gort
President & CEO
Premier Bank
Rock Valley, Iowa 51247
712-476-9100