

October 11, 2012

Jennifer J. Johnson, Secretary
Board of Governors of the Federal Reserve
System
20th Street and Constitution Avenue, N.W.
Washington, D.C. 20551

Office of the Comptroller of the Currency
250 E Street, SW
Mail Stop 2-3
Washington, DC 20219

Robert E. Feldman
Executive Secretary
Attention: Comments/Legal ESS
Federal Deposit Insurance Corporation,
550 17th Street, N.W.
Washington, D.C. 20429

Re: Basel III Capital Proposals

Ladies and Gentlemen:

Thank you for the opportunity to provide comment on the Basel III proposals¹ that were recently issued for public comment by the Federal Reserve Board, the Office of the Comptroller of the Currency, and the Federal Deposit Insurance Corporation. Let me start by saying I have 4 children and when one misbehaves I don't punish the other 3. I don't understand why Basel III Capital Proposals are being applied to community banks. We are the lifeblood of small town small business and consumers. Our bank continues to do residential mortgages even though they are borderline profitable. The paperwork is overbearing for both the consumer and the bank. If Basel III is fully implemented on community banks and we have to hold back more capital for residential mortgages that will move the loans to the unprofitable category and we will make fewer if any in the future.

Community banks did not create mortgage mess this country is in and as a vast majority these banks are already well capitalized and in dire need of less regulation not more. We do not have the staff the large banks do or the resources to "spread" the cost of further regulation out over our asset base. I made my first mortgage loan in 1983 and had a one page note, 2 sided mortgage and right of rescission. All that the borrower wanted to know was the rate, payment amount and when the payment was due. I refinanced my home in July and walked away with 62 pages of paper and all I wanted to know were the same 3 questions as my borrower in 1983. What the "bleep" is happening to this industry...enough is enough!! Please reconsider applying Basel III to this country's lifeblood.

Sincerely yours,

¹ The proposals are titled: *Regulatory Capital Rules: Regulatory Capital, Implementation of Basel III, Minimum Regulatory Capital Ratios, Capital Adequacy, and Transition Provisions*; *Regulatory Capital Rules: Standardized Approach for Risk-weighted Assets*; *Market Discipline and Disclosure Requirements*; and *Regulatory Capital Rules: Advanced Approaches Risk-based Capital Rules; Market Risk Capital Rule*.

Todd Langenfeld
President
Farmers Trust & Savings Bank
Earling, Iowa