

**From:** Les Mongell [mailto:lmongell@statebankoflizton.com]  
**Sent:** Monday, October 15, 2012 1:25 PM  
**To:** Comments  
**Subject:** Basel III FDIC RIN 3064-AD95, RIN 3064-AD96 and RIN 3064-D97

To whom it may concern,

First and foremost, I understand that we both want the same thing, a safe and sound banking system. However, I have to say that it seems like all of the new rules and regulations are aimed at making it hard for a community bank to survive. Community banking was not the cause of the recent financial debacle but we are definitely paying the price for all that went wrong.

Keep in mind a few points that make these new guidelines difficult for us to deal with:

1. Second mortgages are a significant product for us and the 150% and 200% risk rating will makes us look at this product differently.
2. Balloon payment mortgages help us mitigate interest rate risk, now we are going to be penalized for making these types of loans.
3. Community banks cannot access the capital markets like our big bank brothers. We raise capital the old fashion way, we earn it.
4. The complexity of mortgage risk weighting as a whole will create a regulatory burden for community banks.

In closing, it is our hope that the unintended consequences of the new capital guideline are understood before we finalize these new rules for community banks.

Sincerely,  
Leslie J. Mongell

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