

From: Jim Wayman [mailto:JIMW@esbtrust.com]
Sent: Friday, October 19, 2012 1:01 PM
To: Comments
Subject: Basel III FDIC RIN 3064-AD95, RIN 3064-AD96, and RIN 3064-D97

Dear Sir:

I strongly request that Community Banks be exempt from the Basel III capital standards.

KEEP IT SIMPLE

The new rules appear to be very complicated. For us to comply it would be costly. We would probably have to hire experts in this field, employ accountant to audit our compliance. It would take consider amount of time of our senior officers and staff to learn and comply with Basel III.

We are a small community bank with assets of \$165,000,000, employees of 52 in a community of 25,000. Our bank and other small financial institutions did not create the real estate problems and securities problem. Most small and community banks are well capitalized and do not need all of the new proposed rules of Basel III.

KEEP IT SIMPLE

We are over-regulated as it is. During 2012 we have had and paid for the following examinations and audits:

Date	Performed by	Examination/Audit
1. 1/20/12	FHLB	MPF quality control review
2. 2/13/2012	McGladrey Pullen	IT Audit
3. 2/14/12	Sage Point	Investment Audit
4. 3/20/12	FiSer Precision	Annual contingency test of the Director system
5. 3/20/12	FiSer Precision	Annual contingency test of the host Precision system
6. 5/14/12	McGladrey Pullen	Pen test (penetration of the firewall)
7. 5/29/12	FDIC	Compliance Exam CRA exam HMDA exam (4/09/12)
8. 7/09/12	Kennedy & Coe	Directors' exam
9. 7/09/12	Kennedy & Coe	Limit Compliance Exam a. Reg GG b. BSA c. Website d. Brochures
10. 8/01/12	FDIC	Information Technology
11. 8/06/12	FDIC	Safety & Soundness a. BSA b. Trust
12. 8/13/12	Kennedy & Coe	Wire Desk Review
13. 8/21/12	EMCOR	NACHA ACH audit
14. 10/20/12	John Floyd & Associates	Overdraft Privilege
15. Nov 2012	Varney & Associates	Trust Audit

We do not need more regulations. We do not need more regulations on mortgages loans. When we were examined for HMDA by FDIC, they reviewed all RE Loans inside and out and crossway to make sure we dotted the "I" and crossed the "T".

It takes a tremendous time and effort by our officers and staff to provide the information to the regulators and auditors before, during and after the exam.

Small and community sized banks do not need more complex regulations required under Basel III. We need to spend more time serving our customers, making loans and helping our community grow.

KEEP IT SIMPLE

For small and community sized banks, if you want more capital, just say what % of Capital you want. If you make it too high, some banks may have to reduce assets to comply, which may decrease loans they could make in their community.

KEEP IT SIMPLE

I totally agrees with a speech Thomas M. Hoenig gave September 14, 2012 "Back to Basics: A Better Alternative to Basel Capital Rules" in which he urged that the U.S. should "reject the Basel approach to capital and go back to the basics."

Sincerely,

Howard G. Gunkel
Chairman of the Board
ESB Financial
PO Box 807
Emporia, KS 66801