AimBank
110 College Avenue · P.O. Box 999 · Levelland, TX 79336 (806) 894-2265

FDIC
Washington D. C.

Re: Basel III FDIC RIN 3064-AD95, RIN 3064-AD96, and RIN 3064-D97

Sent Email : comments@FDIC.gov

Background: The proposal requires that all unrealized gains and losses in available for sale securities (AFS) must "flow through" to common equity tier 1 (CET1), a new term. This is called Accumulated Other Comprehensive Income (AOCI). Gains and losses in AFS portfolios happen primarily as a result of interest rate movements as opposed to changes in credit risk. Interest rates in debt securities can fluctuate frequently (often daily), and the proposed rules will cause significant volatility in capital calculations.

AimBank has $ 325 million in assets and at this time has approximately $ 70 million in AFS securities. How should our bank deal with this proposal, especially when interest rates rise again? Will we have to create an additional capital buffer as a cushion during value fluctuations? **If so, we are taking resources from customer needs and bank growth.** Should we limit our investments in longer duration assets? How will this affect local governments and the housing markets? This proposal could cause a number of banks to sell all or part of their AFS portfolios. Have federal regulators considered what impact this will have on the markets for those securities? We are concerned about how this proposal might impact our asset liability function and our liquidity and contingency funding plans.

We are a community bank and, as such, should not be thrown into the "mark-to-market" frenzy that has consumed other segments of the financial services industry.

The most likely result of this proposal **will be an increase in employee time to monitor our AFS portfolio.** This may also require us to **purchase software to stay in compliance. Both would lead to less time and service for our customers.**

Sincerely,

Scott L. Wade
CEO

cc: Representative Randy Neugebauer
Senator John Cornyn
Senator Kay Bailey Hutchison