



September 27, 2012

Kristie K. Elmquist, Regional Director  
Federal Deposit Insurance Corporation  
1601 Bryan Street  
Dallas, Texas 75201

RE: Proposed Basel III Capital Rules

Dear Director Elmquist:

The application of the proposed Basel III capital rules to the banks in this country will be detrimental to the industry and the national economy. At a time when our national economy is desperately in need of growth, these overly complex rules will introduce additional volatility and uncertainty and undoubtedly reduce the ability of community banks to increase lending to small and medium size business.

I could not have said it any better than your new FDIC Director Thomas M. Hoenig, in his recent speech, when he said, "It is time for international capital rules to be simple, understandable and enforceable."

Please request your Board of Directors revisit and reconsider the implementation of the proposed Basel III rules in favor of a simplified system.

In addition, I believe that reestablishing the separation of commercial and investment banking in a stricter sense, in the way the Glass-Steagall Act provided, is also a necessary ingredient for a sound commercial banking system. This segregation of banking activity will also better protect the FDIC insurance fund and help prevent a repeat of the most recent banking crisis.

Sincerely,



Samuel S. Spencer Jr.  
President & CEO

