

October 21, 2012

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

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

Re: Basel III, FDIC RIN 3064-AD95, FDIC RIN 3064-AD 96,
and FDIC RIN 3064-AD97

Dear Mr. Feldman:

I am a director of Bay Coast Bank, which is a community bank with 15 offices in S.E. Massachusetts and Rhode Island and am adamantly opposed to Basel III and it is unnecessary.

The bank has assets in excess of 900 million and tier 1 capital (leverage) above 8%. We are a community bank and had nothing to do with the economic crisis from the misuse of sub-prime loans. Over the years, we have been successful in reallocating funds from the debt security portfolio to meet the demands of residential and commercial borrowers. I am therefore concerned about the impact of a "300 basis points increase in rates."

Banks should be encouraged to build reserves with pre-tax dollars during good times.

We are also engaged in home equity lending. The impact of a "300 basis points increase in rates" will be difficult to swallow and could restrict credit and increase its cost.

Increasing the risk weighting of delinquent loans also makes no sense. Delinquent loans are already considered in allowance for loan and lease loss.

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In summary, the implementation of Basel III as proposed will alter the way we serve our customers and community. We want to improve and grow our local economy.

Respectfully,

D. J. Sego

cc The Honorable Scott Brown U.S. Senate

The Honorable John Kerry U.S. Senate

The Honorable Barney Frank U.S. House of Representatives

The Honorable James P. McGovern U.S. House of Representatives

The Honorable William R. Keating U.S. House of Representatives