



Robert deV.Frierson, Secretary
Board of Governors of the Federal Reserve System
20th Street and Constitution Avenue, NW
Washington, DC 20551
Docket No. OP - 1462

February 6, 2014

Mr. deV.Frierson,

Our bank, United Community Bank of West KY, is beginning its 14th year of operations. We are a \$210MM asset size commercial community bank located primarily in Union and Webster Counties in Western Kentucky. Also, we serve several customers in neighboring Henderson and Crittenden Counties. The bank received its FDIC insurance certificate and Kentucky Department of Financial Institutions charter on December 10, 2001. In addition to our general retail products and services, our bank provides trust and brokerage services to our customers. These services are also offered by larger regional banks on an appointment only basis. Our bank is the only local bank in our primary county of Union.

Presently, we have 46 FT employees and 8 PT employees working in our 4 branches. Our bank offers consumer, small business (commercial), agriculture, and real estate loans to our customers. As a per cent of total loans each category represents - consumer (15.3%), commercial (34.5%), agriculture (19.7%), and residential (30.5%). Our loan portfolio has 2,216 consumer loans, 840 commercial and agriculture loans, and 757 residential loans. On the deposit side we have 8,267 active checking accounts - 4,659 are Freedom accounts, 782 small business, and 178 non profit accounts. We partner with our local schools to promote financial literacy and teach banking skills. Our bank contributed over \$39K to the local communities in 2013 and over \$400,000 since opening in 2002. Recipients include school groups, civic clubs, charities, and low income families. Most of our employees and directors participate in community, school, and civic activities including leadership responsibilities. Since we are located in a rural setting, we have the privilege of knowing our citizens and customers. Larger employers are the coal mines, light manufacturing, Job Corps Center (employs ~500 staff), education system, and agriculture.

Our board of directors and leadership team are greatly concerned about the negative impact the Dodd Frank Act has (and will have) on our bank. Not only has our direct and indirect compliance costs

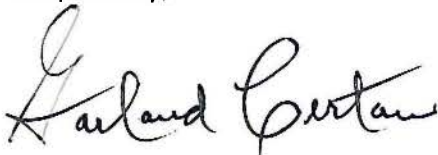
Our board of directors and leadership team are greatly concerned about the negative impact the Dodd Frank Act has (and will have) on our bank. Not only has our direct and indirect compliance costs increased, but the additional direct and indirect time in learning the new regulations, training staff, and carrying out all the changes has affected our staff and operations. Possibly one of the most costly end results of all these unnecessary changes and requirements is stress upon our people. Another major negative impact will be upon our customers, the consumer.

Perhaps our largest niche which distinguishes us from other banks has been to provide financial services to customers who do not fit into the "box" that the larger banks require. These new regulations eliminate our "flexibility" to adjust for exceptions when approving several requests. Additionally, Fair Lending requirements eliminate a bank's ability to price for additional risk!

Another concern we have is vendor management. I'm sure we're like most banks who spend time and money in selecting our vendors to not only keep our costs down, but more importantly secure quality work. Once we reach a decision we monitor their services and products on a regular basis as they carry out their responsibilities. These new requirements place unnecessary responsibilities on staff and possible criticism from regulators. Most of selected companies are or should be required to meet regulatory and/or legal expectations. The SEC or other regulator should be monitoring these companies. One recent example happened when we received a notice from the FDIC that one of our providers was not monitoring customer data as it should. We were advised that we could not disclose to the vendor that we had been notified and could not contact the vendor. Since we had a contract with several years remaining, we were not in a position to deal with this situation; therefore, we did not respond. Fortunately, everything has worked out okay. We are a small community bank that makes strong efforts to select good reputable vendors. We utilize our relationships with other banks who do business with these vendors and our state association, the Kentucky Bankers Association, who performs an in depth due diligence on most of the vendors we select before making our final vendor selection decisions. We believe this extra requirement is burdensome and costly.

Please accept our comments for your consideration as you address the many issues facing you and bankers who are trying to deliver financial services to people living in rural communities.

Respectfully,



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