

From: First State Bank, Clay Schnell

Subject: Reg D, Q, & DD

Comments:

The repeal of Reg Q at this time will increase the expense of community banks, lower profits, at a time when margins are already at historic lows. In addition, it will add to Interest Rate Risk for repricing liabilities at a time when interest rates may be going up in the not too distant future and may go up a very significant amount.

Given these, why would you want to repeal it now and decrease the competitive advantages of community banks again to help the large institutions. As a community banker who now pays significantly larger FDIC assessments, I really don't appreciate the timing.

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