FIRST NATIONAL BANK IN MARLOW

Marlow's Bank

August 6, 2012

To: OCC
Federal Reserve Board
FDIC
ABA

Dear Regulator:

I hope you had the opportunity of listening in on the webinar of Basel III recently held by Comptroller of the Currency. For those of you who did not and as a refresher of those of you who did, there was a lot of anger and anguish verbally spoken by many bankers from many states. Even though I did not call in to voice an opinion, I did write via computer with not being acknowledged. I would like to again voice my concerns of the Basel III proposal before it is too late. From the following I respectfully request at least a 90 day extension and substantial modification for our fellow conservative bankers who did not cause the problems you are trying to inappropriately fix.

History: We are a $67million bank in rural Oklahoma not trying to get too big to fail. We service our delineated area well and help out our community.

Statistics:
- Tier 1 Capital exceeds 17%
- Delinquency about 1%
- No 90 day past due loans
- Classified assets less than 7%
- Locally owned with most employee's tenure greater than 10 years.

Loan Mix:
- 31% Real Estate
- 16% Installment
- 16% Commercial
- 45% Other

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Why do I care: I have experienced the banking world from 21% loan interest rates and 16% certificate of deposits to 2.8% loans and you pay me to hold your certificates.

We are a bank that makes fixed rate "balloon" loans on real estate loans for 1, 3, 5, 10 year terms with amortization not to exceed 20 years. We do this for IRR purposes and fair rates to all customers. You are wanting to penalize us through risk weight assets for doing this. We question whether your loans tied to an absolute variable with ceiling protects either the customer or the bank. We request the opportunity of NOT increasing rates if that is Bank Board decision. We also believe the loan becomes a riskier loan tied to a variable rate up to a 30 year payout. You are taking away our ability of verifying income regularly on a shorter period of time. We also disagree with a lower risk weight on GSE loans sold into the secondary market. Where has the troubled and charge off loans come from that community banks have had to bail out and even "prepaid premiums"? We Hold 100% of all our real estate loans as assets and are responsible for the collecting there of. It is sadly comical to see the mega banks foreclose on a local property with an appraisal of less than half the loan amount. In actuality GSE loans and local bank held loans on the risk weight scale should be REVERSED. This would help to stop the overly aggressive bankers who do not care about loans or the customer after the loan is sold into the secondary market and whose customers have experienced astronomical other fees for the sale into this market.

This letter is quite long and too wordy but hope you get my point. I would graciously volunteer my input to your group of people who appear to not want to properly represent local community banks.

I respectfully request a delay of imposing an ill thought out proposal of Basel III on community banks until you receive and fully digest comments from good quality bankers.

Respectfully Submitted,

R. Keith Mansfield

R. Keith Mansfield,
President