

From: Brenham National Bank and Brenham Bancshares, Inc., Tieman H. Dippel, Jr.  
Proposal: 1442 (RIN 7100-AD 87) Regs H, Q, & Y Regulatory Capital Rules  
Subject: Regs H & Y Regulatory Capital Proposals

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Comments:

Gentlemen,

On behalf of Brenham National Bank and Brenham Bancshares, Inc., we would ask that the comment period scheduled to end on September 7, 2012 be extended in that it does not allow ample time to examine and have the public understand the profound implications and consequences for community banks or the economy. It has not been formally published in the Federal Register and the suppositions being made on the drafts are damaging to confidence in the future of the industry, confusing in their complexity, and reflect international thought not American consequences that need to be fully examined. They do not seem to recognize that standards are not well reasoned when it is presented that one size may fit all as many of the regulations appear to imply. They add costly burdens in regulation and limitations of profitability. They will greatly impact the real estate market at the worst time for the economy if community bankers fear concentrations due to potential risk weightings. Overall there will potentially be changes, but as a whole this set of regulations has much in common with Otto Von Bismarck's observation that preventive war is equivalent to committing suicide out of fear of death. This is massive overkill with mark to market changes in accounting, rigidity in regulatory enforcement by statute, and complete disruption of the banking industry just as it tries to recover and refinance the economy. It is especially potentially harmful to community banks that do not have the size and resources to bear the regulatory burden. It has the potential to completely change many business models at a time of fiscal, economic, and regulatory stress. These are issues that need to be looked upon and analyzed in context with each other, not independently, because they have significant interrelated effects. At the very least, this needs to be given a full hearing and that is best accomplished by and extension of the comment period. Thanking you for any consideration shown, I remain,

Tieman H. Dippel, Jr.  
Brenham Bancshares, Inc.

