



August 7, 2012

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**President & CEO**

Frank J. Capaldo

Dear Mr. Bernanke:

On behalf of the Independent Bankers Association of New York State, I am writing to request a 90-day extension of the Basel III comment period currently due to end Thursday, September 7, 2012.

We strongly believe there are sound reasons for extending the comment period, which would allow community banks sufficient time to properly study the complexities of proposal, consider and assess its impact, and decide how it would directly affect their institutions' risk based capital ratios.

The proposed new risk weights for residential mortgages are extremely complex and would require the use of loan-to-value ratios. Community banks must have the necessary amount of time to determine these LTVs and risk weights before they can accurately determine the proposal's impact on their mortgage portfolios.

Lastly, under the proposal, the calculation of both Tier 1 capital and common equity Tier 1 capital will require many new adjustments and deductions, including the addition of accumulated other comprehensive income (AOCI). We encourage regulators to provide a "calculator" so community banks could determine the impact of the Basel III proposal.

For these reasons, we respectfully urge that the comment period be extended for 90 days beyond the current September 7, 2012 expiration date.

Thank you for your consideration.

Sincerely,

Frank Capaldo  
President & CEO

Founded in 1974, the Independent Bankers Association of New York State is the non-profit trade organization representing the Empire State's independent community banking institutions. The association provides a number of member services including education and state and federal legislative representation. Community banks invest in the families, schools and businesses in every local Main Street community in the Empire State.