



Cornerstone Bank  
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August 6, 2012

Jennifer Johnson, Secretary  
Board of Governors of Federal Reserve System  
20<sup>th</sup> Street & Constitution Avenue, N.W.  
Washington, DC 20551

Re: Basel III Docket No. 1442

Dear Ms. Johnson:

I am writing this letter representing Cornerstone Bank at York, Nebraska. My name is Kelly Holthus and I have been a community banker for the past 58 years, 45 of which I have been with Cornerstone Bank. We are located in a community of 8,000 people and have grown to have assets in excess of \$1.1 billion. We think we have grown because we try to give the best service possible, but a percentage of our growth has come from the acquisitions of very small community banks of less than \$50 million in assets in towns of less than 1,000 people. These primarily family-owned banks have come to us to purchase their bank because they cannot keep up with the regulatory burden. At the present time, they tell us they are not offering home improvement loans or long-term 1-4 family residential loans. Again, the regulatory burden overwhelms them.

Now we find that we are all looking at how we are going to handle the Basel III proposals that are being suggested. There is no way that we or our peers can comment in an intelligent manner on these proposals by September 7<sup>th</sup>. We feel it is important that we have a chance to study the issues and understand the circumstances rather than act as our Congress did in passing Dodd-Frank and then they said they would read the proposals after it was law. Please give this your utmost consideration as the last thing we as community banks need is more restrictions in our ability to take care of our customers. We operate a safe and sound bank and certainly do not need additional Governmental interference.

Thank you for your consideration.

Sincerely,

A handwritten signature in black ink, appearing to read "C. G. Holthus", written over a horizontal line.

C. G. Holthus  
President & CEO

cem