



**BANK of PONTIAC**

October 18, 2012

Mr. Ben Bernanke  
Chairman  
Board of Governors of the Federal Reserve System  
20<sup>th</sup> Street and Constitution Avenue, NW  
Washington, DC 20551

Mr. Martin J. Gruenberg  
Acting Chairman  
Federal Deposit Insurance Corporation  
550 17<sup>th</sup> Street, NW  
Washington, DC 20429

Mr. Thomas J. Curry  
Comptroller  
Office of the Comptroller of the Currency  
250 E Street, SW  
Washington, DC 20219

Re: *Proposed Rulemaking on Minimum Regulatory Capital and the Standardized Approach for Risk-weighted Assets*  
*Basel III Docket No. 1442*  
*Basel III FDIC RIN 3064-AD95, RIN 3064-AD96, and RIN 3064-D97*  
*Basel III OCC Docket ID OCC-2012-0008, 0009, and 0010*

Dear Sirs:

As President & CEO of Bank of Pontiac in Pontiac, Illinois, I am writing to express the views of our bank in regard to the proposed rulemaking item referenced above. Bank of Pontiac is a community bank located in rural Central Illinois whose primary regulator is the Federal Reserve. We offer a full range of banking and trust services that include lending as it pertains to small businesses, agriculture, and consumer and residential mortgages. Our average total assets are currently \$375,000,000.

**MAIN BANK**  
300 W. Washington St.  
P.O. Box 710  
Pontiac, IL 61764-0710  
Phone 815/844-6155  
Fax 815/842-2977

**ODELL BANK**  
200 S. Waupansie St.  
P.O. Box 350  
Odell, IL 60460-0350  
Phone 815/998-2131  
Fax 815/998-2431

**WEST BANK**  
1703 W. Reynolds St.  
P.O. Box 72  
Pontiac, IL 61764-0072  
Phone 815/842-1069  
Fax 815/842-1705

**DWIGHT BANK**  
132 E. Main St.  
P.O. Box 189  
Dwight, IL 60420-0189  
Phone 815/584-1855  
Fax 815/584-1934

Our business model and philosophy is to be well-capitalized, as this has provided us with the ability to serve our customers and the communities that we help support. It is our ongoing philosophy to remain a well-capitalized bank.

To impose these new rules on a bank such as ours would only serve to increase regulation and costs in regard to finances and personnel. It is our belief that these resources would be better-used for our customers and communities, and I would like to request that Bank of Pontiac and all community banks be exempt from the proposed implementation of the Capital NPRs and allow us to continue to operate under the capital requirements of Basel I.

It is our understanding that these new NPRs are intended and needed for much larger financial institutions that would cause a systemic problem if they were to fail. As we all know, small community banks are not considered to pose any threat of this nature to the entire financial system.

Thank you for giving us the opportunity to share our views and for your consideration in granting small community banks exemption from the requirements of Basel III.

Respectfully,

BANK OF PONTIAC

Bill Kauffman  
President & CEO

BK/jr