



October 9, 2012

Jennifer J. Johnson, Secretary
Board of Governors of the Federal Reserve System
20th Street and Constitution Avenue, N.W.
Washington, D.C. 20551

Office of the Comptroller of the
Currency
250 E Street, SW
Mail Stop 2-3
Washington, DC 20219

Robert E. Feldman
Executive Secretary
Attention: Comments/Legal ESS
Federal Deposit Insurance Corporation,
550 17th Street, N.W.
Washington, D.C. 20429

Re: Basel III Capital Proposals

Ladies and Gentlemen:

Thank you for the opportunity to provide comment on the Basel III proposals¹ that were recently issued for public comment by the Federal Reserve Board, the Office of the Comptroller of the Currency, and the Federal Deposit Insurance Corporation. As a long-time associate member of the ICBA, and career community banker, I must admit that I have mixed emotions about the implications of Basel III's implementation. I support regulatory revisions of capital calculations and standards, but Basel III is not the answer for community banks. It is far too complex and will undoubtedly lead to many fewer community banks in the not too distant future, causing even more concentration of banking assets. As a consultant, Basel III will be good in the short and intermediate term for Young & Associates. I say that because it will increase our levels of management consulting to assist our clients. I fear, however, that there will be far fewer financial institution clients to serve in the future.

Please reject the application of Basel III to community banks.

Sincerely,

James Kleinfelter
President and Senior Consultant
Young & Associates, Inc.

¹ The proposals are titled: *Regulatory Capital Rules: Regulatory Capital, Implementation of Basel III, Minimum Regulatory Capital Ratios, Capital Adequacy, and Transition Provisions; Regulatory Capital Rules: Standardized Approach for Risk-weighted Assets; Market Discipline and Disclosure Requirements; and Regulatory Capital Rules: Advanced Approaches Risk-based Capital Rules; Market Risk Capital Rule.*