

October 22, 2012

By Fax: 202-452-3819 and
Email: regs.comments@federalreserve.gov

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

Re: Docket No. R-1430; RIN No. 7100-AD87

Regulatory Capital Rules: Regulatory Capital, Implementation of Basel III, Minimum Regulatory Capital Ratios, Capital Adequacy, Transition Provisions, and Prompt Corrective Action (“Proposed Capital Rules”)

Dear Ms. Johnson:

Thank you for the opportunity to comment on the Proposed Capital Rules, and in particular, on the impact of the Proposed Capital Rules on mutual institutions. I submit this letter individually, as an attorney who for over 25 years has represented and advised community banking institutions, including mutual banks and bank holding companies, in Massachusetts and other New England states. The views expressed in this letter are my own, and are not necessarily shared by Pierce Atwood LLP or its clients.

Nothing in the preamble of the Proposed Capital Rules or in the text or legislative history of the Dodd Frank Act suggests that is the intention or policy of Congress or of the federal bank regulatory agencies to eliminate mutual banking organizations or to force them to convert to the transferable stock form of ownership. If mutual banking organizations are to continue to survive and flourish in the communities they now serve, the regulatory capital rules must provide flexibility for mutual banking organizations to continue to comply with all applicable regulatory capital requirements, including, if necessary, by supplementing their retained earnings and surplus through issuance of capital instruments to government and/or private investors, without being forced to convert to the stockholder-owned form of organization.

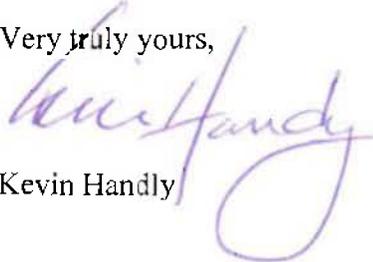
The proposed introduction of a Tier 1 common equity capital requirement, together with the proposed increase in the existing Tier 1 capital requirement and disqualification of trust

preferred and cumulative preferred stock as Tier 1 capital, threaten to greatly reduce the ability of mutual banking organizations to continue to comply with applicable regulatory capital requirements without converting to publicly-traded stockholder-owned organizations.

I therefore urge the Board of Governors and the other federal bank regulatory agencies to revise the Proposed Capital Rules to provide a clear and practical mechanism for mutual banking organizations to continue to comply with applicable regulatory capital requirements, including where necessary by raising additional qualifying Tier 1 and Tier 1 common equity capital, without converting to the publicly-traded, stockholder-owned form of organization.

Thank you for your consideration.

Very truly yours,



Kevin Handly