

Round Bank (East)  
1601 North -35  
P.O. Box 154068  
Waco, TX 76715-4068  
Voice : (254) 412-2000  
Fax: (254) 799-2752

American Plaza (West)  
200 West Highway 6  
P.O. Box 2507  
Waco, TX 76702-2507  
Voice : (254) 412-2000  
Fax: (254) 776-4116



October 22, 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 proposals 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.

Spending a 54 year career and still working daily in the banking industry gives me years of perspective. Basel III should apply to the large systemically important institutions because they take risk that community banks would never take. Community Banking is really straight forward. . . .being part of the bank's community, knowing its customers, and lending to support the economic engine of the area they serve. I know that you know the difference.

Community Banking is at a crossroad and the actions you take on Basel III and other regulatory issues will determine whether America is served by several thousand banks, the system that exist today that is the envy of the world, or 50 big banks that really create the risk for the financial system. We appeal to you to exempt community banks from Basel III for some of the following reasons:

- Additional compliance cost. Margins in banking are already razor thin and this additional cost will have an impact on the customers we serve and the amount they spend for banking services.
- Community banks do not have the systems in place to insure compliance or the extra funds required to get prepared. Spending capital for compliance technology will result in lower capital levels and restrict lending.
- Trust Preferred Securities helps community banks raise the necessary capital to successfully operate. Most community banks are privately held without access to the financial markets available to the larger more complex banks.

In conclusion, we do understand and fully appreciate your responsibilities to regulate the banking industry. Most, if not all, well operated banks have no objection to reasonable levels of regulation. Considering everything involved in compliance with Basel III, please consider exempting community banks from this regulation.

Your careful and thoughtful consideration will be the difference for community banking as we know it today!

Sincerely,

A handwritten signature in black ink, appearing to read "Willard J. Still".

Willard J. Still  
Vice Chairman of the Board