

October 11, 2012

RE: Community Banks and Basel III Proposal

Dear Sirs,

I work for a community bank based in Southeast New Mexico. Our purpose is exactly as our name states "community." We provide excellent customer service and cater to the needs of our local communities. Including community banks in the Basel III will be detrimental to our ability to serve the communities that we call home.

Our bank provides in house real estate loans that are not sold on the secondary market and require 80% loan to value. The loans are amortized with a balloon, which is used to mitigate interest rate risk. The 150% risk weight assigned to these loans under Basel III will restrict or possibly eliminate our ability to provide real estate loans to the customers that do not fit the "big bank" requirements.

Providing these loans carefully underwritten loans to well qualified borrowers is a primary income generator for Community Banks, and must be protected.

Thank You,

Tracy L Virden