

October 12<sup>th</sup>, 2012



Jennifer J. Johnson, Secretary  
Board of Governors of the Federal Reserve System  
20<sup>th</sup> Street and Constitution Ave.  
Washington, DC 20551

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

Robert E. Feldman  
Executive Secretary  
Attn: Comments/Legal ESS  
Federal Deposit Insurance Corp.  
550 17<sup>th</sup> St. NW  
Washington, DC 20429

Re: Basel III Capital Proposals

Dear Ladies and Gentlemen:

Thank you for the opportunity to provide comment on the Basel III Proposals that were recently approved by the Federal Reserve Board, The Office of the Comptroller of the Currency, and the Federal Deposit Insurance Corporation.

I am very concerned that the broad brush approach of the Basel III will hurt the Community Banks throughout our nation. As you know, Community Banks did not cause the recent economic debacle that was mainly caused by very large domestic banks and non bank financial institutions. Basel III will only add to the already over regulation and cost of doing business for Community Banks. (That cost will be passed to consumers) Here at Starion Financial, it will definitely limit our ability to lend to small businesses, agricultural producers, and families.

This is just what is not needed in our State and our Nation. The unintended consequence is that it will severely limit credit. It will cause smaller Community Banks to exit the market by throwing their hands up and selling to larger banks.

Basel III is one of the largest threats facing the Community Banking Industry which did not cause the financial shocks of the "Great Recession."

Sincerely,

A handwritten signature in black ink, appearing to read "Jay C. Feil", is written over a faint, larger version of the same signature.

Jay C. Feil  
Market President / Director  
Starion Financial