

From: Northampton Cooperative Bank, Lucille F. Cernak, Executive Vice President  
Proposal: 1442 (RIN 7100-AD 87) Regs H, Q, & Y Regulatory Capital Rules  
Subject: Regs H & Y Regulatory Capital Proposals

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Comments:

From: Lucille F. Cernak [mailto:lfc@northamptoncoop.com]  
Sent: Monday, October 22, 2012 11:15 AM  
To: 'Regs.comments@federalreserve.gov'; 'Regs.comments@occ.treas.gov';  
'comments@fdic.gov'  
Subject: BASEL III Capital Proposals

October 22, 2012

Northampton Cooperative Bank  
67 King Street  
Northampton, MA 01060

Ms. Jennifer J. Johnson  
Secretary  
Board of Governors of the Federal Reserve System  
20th Street and Constitution Avenue, N.W. Washington, D.S. 20551  
Regs.comments@federalreserve.gov  
Docket R-1430 and R-1442; RIN No. 7100-AD 87

Office of the Controller of the Currency  
250 E Street, SW  
Mail Stop 2-3  
Washington D.C. 20219  
Regs.comments@occ.treas.gov  
Docket OCC-2012-0008 and OCC-2012-2009; RIN 1557-AD46

Robert E. Feldman  
Executive Secretary  
Attention: comments/Legal ESS  
Federal Deposit Insurance Corporation  
550 17th Street, N.W.  
Washington D.C. 20429  
comments@fdic.gov  
RIN 3064-AD95 and RIN 3064-AD96

Dear Sirs and Madam:

Northampton Cooperative bank is \$158 million community bank in Western Massachusetts. We are a mutual bank with 13.78% Tier 1 capital. The Basel III Proposals are unnecessarily complex and yet another expensive regulatory burden that will in no way contribute to the overall safety and soundness of the institution.

Our balance sheet is simple and conservative. (We have foreclosed on one

residential property in the past 15 years.) All of our lending is local and most is secured by owner occupied homes and businesses. The requirement, that under some scenarios, a portion of our portfolio (i.e. home equity lines) would require a risk weight of 200%, will certainly curtail our ability to continue to provide our community with the prudent lending we have for more than a century. Simply determining the characteristics of existing loans will be expensive and time consuming. In truth, the data required may not even be available.

Credit unions, which already enjoy a significant competitive advantage with their tax exemption, will avoid yet another expensive government regulation.

I respectfully request that you consider the broad ramifications and negative implications Basel III will have not only on Northampton Cooperative Bank, but all those community banks that have been such an important part of the financial and business activities of their communities.

Sincerely

Lucille F. Cernak  
Executive Vice President