

THE FIRST NATIONAL BANK OF BALLINGER

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October 18, 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, S.W.
Mail Stop 2-3
Washington, D.C. 20219

Robert E. Feldman
Executive Secretary
Attention: Comments/Legal ESS
Federal Deposit Insurance Corporation,
550 17th Street N.W.
Washington, D.C. 2429

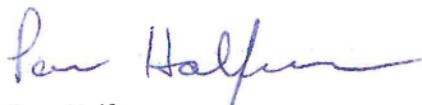
RE: BASEL III Capital Proposals

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. While BASEL III is an attempt to increase overall bank capital, it utilizes modeling tools that are much too complex for our community bank and the needs of all community banks. The calculations are a costly regulatory burden for us and would have an immediate adverse impact on our regulatory capital.

We request that you consider changes made to BASEL III that will recognize the difference between community banks and megabanks. Without this change, a huge blow would be inflicted upon community banks and the economic recovery would be severely threatened.

Sincerely,



Pam Halfmann
Senior Vice-President/Cashier