October 15, 2012

Jennifer J. Johnson, Secretary
Board of Governors of the Federal Reserve System
20th Street and Constitution Avenue, N.W.
Washington, D.C. 20551

Re: Basel III Capital Proposals

Dear Jennifer J. Johnson

Thank you for the opportunity to provide comment on the Basel III proposals put forward by the Federal Reserve Board, the Office of the Comptroller of the Currency, and the Federal Deposit Insurance Corporation.

Team Capital Bank, a community bank with locations in Pennsylvania and New Jersey, has been providing personal and business banking services to the communities in its market footprint since its founding in 2005. We are a well capitalized, profitable savings bank with over 150 employees across the organization, and we serve both retail and business customers. Team Capital Bank's focus on small business has allowed us to strengthen local communities by making loans available to businesses that form the backbone of local economies, allows those businesses to expand, purchase equipment and hire workers. As an employee of Team Capital Bank, I am very concerned about the negative effects that Basel III will have on community banks like ours and the communities we serve.

Basel III is not written with an understanding of community banks. While the need for adequate capital levels is paramount, however, consideration should be given to the difference in size and complexity of financial institutions in relation to capital requirements. Team Capital Bank has maintained a strong capital position since its inception. The increased requirements posed by Basel III will cause an unnecessary burden to our institution, hindering our growth and expansion.

The impact of Basel III on customers will be severe. Consumer lending, notably residential lending, will be adversely affected. Changes in risk-weighting requirements could discourage residential lending and may incent banks to reduce lending activities or increase rates to offset higher capital needs and higher costs needed to track compliance. Further the Community Reinvestment Act may be diminished as lightly regulated "nonbanks" fill the credit needs of affordable housing.

Under Basel III less credit and liquidity will be available to small businesses as banks' capital requirements increase. This reduction in credit availability will have deleterious effects on community banks, and also reduce their lending activity to small businesses. This, in turn, will have a damaging effect on local communities, as small businesses are unable to secure credit to support and grow their business.

In addition to affecting our retail and commercial business, the Basel III proposal will also impinge on the operations of Team Capital Bank. It will be necessary to add staff to comply with the increased regulations associated with this proposal. Our computer platforms will need to be reprogrammed to accommodate the new regulations. Products and services will need to be changed or eliminated to comply. Of these additional costs, none will go toward enhancing service delivery, increasing the Bank's profitability, improving the bank's ROA, ROE or return to shareholders. Further, our ability to meet the credit needs of our local markets will be affected, impacting local businesses and the communities in which they operate. In short, Team Capital Bank could lose its competitiveness and the return on investment for its shareholders. Basel III could put many banks like ours out of business.

As an employee of Team Capital Bank, I am concerned about the proposed Basel III capital rules and the challenges they pose, particularly for community banks. I urge you to reconsider these regulations, especially for community banks.

Sincerely,

Toni Fioretti

Toni Fioretti Employee of Team Capital Bank