



Your Bank. Your Trust.

October 5, 2012

Robert E. Feldman, Executive Secretary
Attention: Comments/Legal ESS
Federal Deposit Insurance Corporation
550 17th Street N.W.
Washington, DC 20429
Delivered via email comments@FDIC.gov

Jennifer J. Johnson, Secretary
Board of Governors of the Federal Reserve System
20th Street and Constitution Avenue N.W.
Washington, DC 20551
Delivered via email regs.comments@federalreserve.gov

Office of the Comptroller of the Currency
250 E Street SE
Mail Stop 2-3
Washington, DC 20219
Delivered via email regs.comments@occ.treas.gov

Re: Basel III Capital Proposals
OCC: Docket ID OCC-2012-0008
OCC: Docket ID OCC-2012-0009
FRB: Docket No. R-1430; RIN No. 7100-AD87
FRB: Docket No. R-1442; RIN No. 7100-AD87
FDIC: RIN 3064-AD95
FDIC: RIN 3064-AD96

Ladies and Gentlemen:

BASEL III raises major concerns about the long term viability of banks and the availability of credit in communities we serve!

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Phasing out of Trust Preferred Securities (TRUPs), changing the treatment of unrealized gains and losses of Available for Sale Securities (AFS) and making the Risk Weighting of Assets more stringent are a recipe for community banks to have significantly less capital. This reduction in capital will have the effect of fewer loans to clients in our communities.

Steele Street Bank & Trust has been a very successful community bank in Denver that just celebrated its ninth anniversary. We have always achieved the highest regulatory ratings when it relates to bank Capital. We are one of only a handful of healthy and thriving community banks dedicated to the Denver market. We have been able to actively expand our market share by increasing community lending and deposit relationships.

For several years the near constant refrain from the public, public officials, media and others has been for banks to lend more to create more jobs. Basel III goes in the opposite direction: less credit, more expensive credit, fewer businesses (especially small businesses) due to credit restrictions and greater expense, and fewer jobs. Banks caught between popular demand for more credit, and regulators' aversion to any risk is not what we need as a country. Society is not well served by risk-free banks that make no loans.

The nature, scope and complexity of the Basel III capital requirements appear to be a complete over reaction. We believe this will have a big negative impact on individual businesses, the general economy and most importantly, the future of our community!

We request a complete withdrawal of the proposed regulation.

Sincerely,



Brian R. Wilkinson

President