

October 11, 2012

Re: Community Bank Exemption from Basel III, thus operating under Basel I

Ladies and Gentlemen,

Thank you for giving those of us whom works for a community bank a chance to speak out on Basel III.

For the past 7 ½ years, I have been had the honor of being employed by an amazing family owned community bank. In those past 7 ½ years, I have seen many wonderful people walk into this bank without hope of ever owning their own home or business. When they walk back out that door, they are home and/or business owners. That is what it means to be a community bank. You get to help the people that “big banks” won’t even take a second look at. Or even a first one for that matter.

Considering that it has been the “big banks” that have over lent and depleted their capital, they should be the only ones subject to the requirements of Basel III. Community banks are generally a more conservative lender; therefore, they should not be reprimanded and over regulated for lending practices for which they did not practice.

By increasing the risk weights for loans such as residential balloon, interest-only, and second mortgages, you are penalizing the customers that most likely would not be able to find alternate financing. It is the ability to make these loans that make our bank special to our customers. In many instances, we are the only hope these customers have. We are fair and compassionate community bank, with absolutely no desire to become a “big bank”. Please do not make us subject to the same regulations and penalties that could most likely, put our bank and customers on a downslide to failure.

Sincerely,

Wendy S. Herrington  
JP Stone Community Bank