

From: Brittney Harding
Proposal: 1442 (RIN 7100-AD 87) Regs H, Q, & Y Regulatory Capital Rules
Subject: Regs H & Y Regulatory Capital Proposals

Comments:

October 9, 2012

Dear Sirs:

Thank you for giving us the opportunity to voice our own opinions on the Basel III proposals.

I work at the oldest family owned bank in New Mexico, a \$170 million community bank. If this proposal is made into a requirement, it could put our bank, along with many other banks, into jeopardy. As a bank we want to make sure we are able to lend out money for loans, so we put what are called balloons on our amortizing eight percent loan-to-value mortgages. In order to manage the long term assets to total assets, there is a calculation that examiners use so that the rates are not outrages for the customers in five to ten years.

In the past, and even now, we are able to make these loans and serve our community in the best way possible. If the Basel III is put into requirement, it puts a 150% risk on these loans. As a result of this, it could be restricted, and possibly eliminate our ability to make them.

Real estate loans that are given to qualified borrowers are a major part in Community Banks, giving us the ability to serve our customers, and also aid the stability in our economy. Proper real estate loans are essential in the income for Community Banks.

Our Community Bank does not make irresponsible loans to our customers. We make sure they are able to afford the loan they are asking for before we approve it. The compliance burden is mainly for the larger banks that have already proven they need it; we are a much smaller bank that is responsible for our own actions. If we have behaved in any other fashion, our bank would have gone under long ago. We already have many compliance requirements that we have to deal with being such a small bank. We do not need all of the banks in our country in one basket!

Based on all of the information above, in all respect, I urge you not to make Community Banks use the Basel III program.

Sincerely,

Brittney Harding