

October 16, 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: Community Bank Exemption from Basel III, thus operating under Basel I

Ms. Johnson:

Thank you for allowing me to provide comments on the Basel III proposals that were issued for public comment by the Federal Reserve Board.

I have been employed by a family owned community bank in New Mexico for 7 months. My fellow co-workers and supervisors have expressed a variety of points of views on how our bank has benefited our community. Most of them are so seasoned in our bank's operations, and are very concerned on the factors Basel III will present. As I have already confessed my lack of experience in banking with my disclosure of length in employment with JP Stone Community Bank, I cannot speak thoroughly on the repercussions Basel III will have on Community Banks. However, I don't believe a Doctorate Degree in Politics and/or Bank Regulations is necessary if common sense can remedy the debate on Basel III for Community Banks. This bank has made lending seem so simple in the time that I have been in the lending department. Our loans to customers are not complicated as Basel III requires if it is imposed onto Community Banks. Smaller societies are not filled with multimillionaires taking \$5,000 minimum loans, and I'm sure whoever is entrusted with voting for Basel III is highly educated to be aware of this. My vantage point is as a citizen of a smaller community. Take away a productive leading forcing in our community and the community will collapse. Which Large Bank would lend our local mechanic, local carpenter, local plumber, etc. anything less than \$5,000? JP Stone Community Bank has come through for families to be able to own homes that otherwise Large Banks would have labeled their loans as high risk. Community Banks and Large Banks serve different demographics so why regulate them in the same manner?

I had touched on my vantage point as a citizen in a smaller community, and I believe that perspective may be overlooked in this controversial regulation. This point of view is very relevant in regards to what Basel III could cause in Community Banks. I am a product of this smaller society's local university. I received my three Bachelor Degrees and found it very difficult in these times to find a job in beginning my career. I was one phone call away from moving to a much larger city in a completely different state to pursue a career, when it was then that I received a call from JP Stone Community Bank in which would be the beginning of my career. While every firm, corporation, and even Large Banks passed me over in my search for employment in the surrounding areas, it

was a Community Bank that gave me a chance to prove myself. The same Community Bank that has done the same for many others, whether it was for employment or for loans. JP Stone Community Bank served a member of its community by keeping a product of the local university at home instead sending away another graduate to be a productive member elsewhere in another city. A Community Bank like JP Stone does well for graduates, because it has so much to teach and also so much to receive from the innovative minds of highly motivated graduates wanting to find their niche in community serving entities that are looking to grow.

I hope that I have brought light to another perception that can be strongly considered in making the right decision pertaining to how Community Banks are regulated. Please take the time to attain a deliberate decision on Community Banks, as we have all attempted to express our concern and need for Community Banks to continue using Basel I in the future.

Sincerely,

Tim Castorena
JP Stone Community Bank