

From: The Murray Bank, Bob Hargrove
Proposal: 1442 (RIN 7100-AD 87) Regs H, Q, & Y Regulatory Capital Rules
Subject: Regs H & Y Regulatory Capital Proposals

Comments:

I am writing concerning the proposed Basel III rules. The Murray Bank is a community bank with about 245 million in assets. We pride ourselves in being committed to our community and what we give back to the community. We are currently at 63% loans to deposits. We wish that was about 80% but loan demand is weak at this time. However, it appears that the higher loans to deposits would make our capital numbers worse based on the new rules. It also appears it would be better from a capital stand point that the bank would be better off starting foreclosure much quicker, instead of trying to work with the borrower. We pride ourselves in trying to keep the borrower in their home. The new proposals have a huge negative effect on how you calculate capital on non performing loans. The bank has had borrowers that lost their jobs and got delinquent but in some cases have been able to work through their situation.

I would hope that you seek input from community bankers and get their input. I would be glad to discuss the situation with you or your staff.

Thanks, for taking my comments.

Bob Hargrove
The Murray Bank