

From: Colonial Virginia Bank, Robert L. (Bob) Bailey,
Proposal: 1442 (RIN 7100-AD 87) Regs H, Q, & Y Regulatory Capital Rules
Subject: Regs H & Y Regulatory Capital Proposals

Comments:

I am very concerned the impact BASEL III will have on our lending capability and attractiveness of my bank to investors due to lower ROEs. I think mortgage and HELOC lending will be reduced and this will hurt our community and the local economy. Small banks like ours do not do the robo mortgage and HELOC lending but we are being penalized nonetheless. Please exempt banks under \$500 million or \$1 billion in assets from these capital requirement changes.

Robert L. (Bob) Bailey
Colonial Virginia Bank