



October 17, 2012

Jennifer J. Johnson, Secretary
Board of Governors of the Federal
Reserve System
20th Street and Constitution Avenue, N.W.
Washington, D.C. 20551

Office of the Comptroller of the Currency
250 E. Street, SW
Mail Stop 2-3
Washington, D.C. 20219

Robert E. Feldman
Executive Secretary
Attention: Comments/Legal ESS
Federal Deposit Insurance Corporation
550 17th Street, N.W.
Washington, D.C. 20429

RE: Basel III Capital Proposals

Dear Ladies and Gentlemen:

I would like to thank you for the opportunity to provide comment on the Basel III proposals that were recently approved by the Federal Reserve Board, the Office of the Comptroller of the Currency, and the Federal Deposit Insurance Corporation.

I have been employed at The Home Loan Savings Bank for over twelve years while serving our customers with their deposit and lending needs. The Home Loan Savings Bank is a community bank and has been in business for over 130 years meeting the needs of our community and surrounding counties that include Coshocton, Knox, Muskingum, Tuscarawas and Holmes. We are a full service bank that includes lending, savings, checking, health savings accounts and money market accounts. We also offer investments through Home Loan Financial Services. We strive to excel in all areas that our bank offers to help our customers obtain the goals they have set for themselves and exceed in their expectations of how a community bank should provide for their needs.

I feel with the increased capital requirement that is proposed that our bank will struggle to grow and provide the necessary capital to fuel our small businesses in our community. Also with the Basel III proposal it will assuredly raise costs and fees that will negatively impact our community and our customers who are currently facing unemployment, underemployment and the rising cost of living.



413 Main Street
Coshocton, Ohio 43812-1547
www.homeloansavingsbank.com

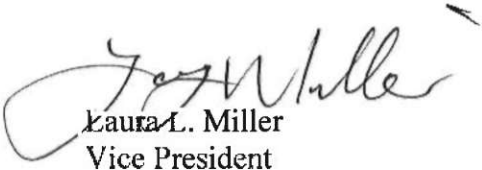
Telephone: (740) 622-0444
Fax: (740) 623-6000
Auto Teller: (740) 622-0295



I am concerned especially in the mortgage area where I work referring to the substantial increase in the risk weighted asset amount for residential mortgages. This would demand my department to go through very old loan files to determine the underwriting criteria and determine the risk weight which would be very burdensome to achieve. Also, I am concerned about the credit enhancing representations that would result in substantial additional capital charges for a significant volume of sold mortgages. Please retain the 120 day safe harbor in the current rule. Another concern would be the deduction of mortgage servicing assets that exceed 10% of an institution's common equity tier 1. We take pride in the ability to service our fixed rate loan customers that we currently sell to Freddie Mac and this new rule could impact our decision on continuing to service our customers so I am requesting that you please consider there be no deduction from capital for mortgage servicing rights.

Again, I thank you for this opportunity to express my concerns and I appreciate your consideration in the different issues at hand.

Sincerely,



Laura L. Miller
Vice President
The Home Loan Savings Bank