October 19, 2012

Robert E. Feldman
Executive Secretary
Attention: Comments/Legal ESS
Federal Deposit Insurance Corporation
550 17th Street, N.W
Washington, D.C. 20429
Delivered via email: comments@FDIC.gov

Office of the Comptroller of the Currency
250 E. Street, S.W.
Mail Stop 2-3
Washington, D.C. 20219
Delivered via email: regs.comments@occ.tres.gov

Jennifer Johnson, Secretary
Board of Governors of the Federal Reserve System
20th Street and Constitution Avenue, N.W.
Washington, D.C. 20551
Delivered via email: regs.comments@federalreserve.gov

Re: Basel III Capital Proposals

Ladies and Gentlemen:

Thank you for the opportunity to provide comment on the Basel III proposals. I am a branch manager at a $160 million savings bank located in East Central Ohio, with three offices in Coshocton County and one office in Knox County. As a traditional community bank, we care about our customers, employees, and the community. We currently have 49 employees that are committed to helping our customers and helping our community succeed and prosper. Currently we offer home mortgage loans, home equity loans, agricultural loans, small business loans, and consumer loans to our community as well as many various deposit products.

Being a branch manager, I will be most impacted by the proposals concerning the changes proposed regarding lending and the accounting for loans. This includes the increased risk weighting of delinquent loans. The proposal of increasing risk weighting has the double effect for most banks of decreasing capital while at the same time we are holding large amounts in our loan loss reserve. We feel that proper management of our loan loss reserve is a more prudent and effective way of handling the situation.

Community banks along with many other markets will have a more difficult time obtaining mortgage loans through the proposed rules regarding the residential loans. One of the tools used to manage interest rate risk are the mortgage rates held on our books, which are generally adjustable rate loans. Due to the interest rate risk we cannot "afford" to hold 30 year loans in the interest rate environment we are currently in. Requiring higher risk rating of adjustable rate loans will require more capital, increases the cost of the credit, and will serve to reduce the availability of credit.

The Home Loan Savings Bank is also actively involved in home equity lending. The availability of credit and increase in the cost of credit will be restricted with the risk rates of up to 200 percent.

My final concern addressing Basel III is the overall complexity with regard to interpreting and following the rules. I do not feel that we have the staff or the proper computer systems that can generate the information needed to report to Basel III. This is going to cause additional expense, reduction in capital, and limit our ability to make loans. It is my hope that you will strongly consider starting over on the accounting requirements for the community banks. Basel III can have a long term effect of putting a stake in the heart of community banking. It is my hope that you will not force our industry to go to extraordinary expense to validate the new capital levels.

Sincerely,

Betty Ramsour
Branch Manager