THE PATASKALA BANKING COMPANY
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From the desk of Charles E. Dixon
Chairman, President, CEO

August 1, 2012

Robert E. Feldman, Executive Secretary
Attention: Comments/Legal ESS
Federal Deposit Insurance Corporation
550 17th Street, NW
Washington, DC 20429

Mr. Feldman:

Thank you allowing us a vehicle to express comments and concerns on the proposed Basel III regulations.

I have been reading as much information as possible and recently listened in on the Chicago Office's session. To be honest it is all quite overwhelming and difficult to address how much our bank will be impacted based on the many variables. Should the proposal be enacted as presented it will adversely affect us on many levels not the least of which will be creating more capital. We meet current capital levels, but are in an almost year long capital acquisition process to allow us to grow. Unfortunately as it stands now we will only be garnering about a third of what we had proposed. While the media says that we are in a recovery, in the Midwest we are still in a severe recession. To be forced to increase capital under today's economic atmosphere would not be possible.

The risk weighting proposals for both loans and investments could also cause us significant harm if enacted as presented. During the Chicago session a question was asked (on the loan side) if the loan to value is figured on an ongoing basis or only at the time of origination of the loan. There was no definitive answer given. AFS securities are a liquidity source for us. If more stringent risk weightings are placed on this part of our footings we will be adversely affected for being more liquid. I find it hard to find the value in this.

Besides the regulatory issues the cost of compliance for a bank of our size will be in the thousands of dollars, and I might suggest tens of thousands. This is an undue cost with no way of recouping the dollars needed to comply.
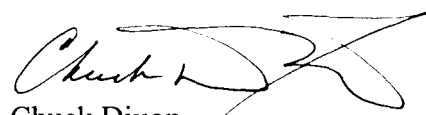
In a nutshell it appears that as presented the goal of Basel III is to put many community banks out of business, including our bank. As well as looking at the loss of a bank what needs to be considered is the loss to the community that that bank serves.

Our bank is in the Columbus, Ohio, MSA; however from my office window I am looking at a highly distressed soy bean field. With a wet spring and very hot and dry Summer our farming community will have a difficult harvest season. Like many community banks farming is part of what we do and know. I'm not sure that this is the same for our larger brethren. We recently helped a new chiropractor get his office open. He was too small for the large banks. We are working with a local person in getting his new business open. The bigger banks had no interest. Our museum needed funding to renovate their property so that our heritage will be preserved. We have a vested interest in our community and not just branches and we were able to meet their needs. While it may seem insignificant the local high school band boosters were able to borrow enough from us to outfit their growing high school band. I contend that none of these would have taken place if our bank had not been here. We employ 25 people that depend on us for their livelihood. We are active in local activities. If there is a community project it is our bank that is one of the first in line to aid where we can. Take what we do in our local community and multiply it by the thousands of community banks and see what our communities will look like should community banks go away.

Once again community banks are forced to pay for the sins of others. It needs to stop. I trust that those that will be determining the fate of Basel III look outside the ratios and look at the much larger picture.

Thank you again for allowing me to comment.

Respectfully yours,

Chuck Dixon