



October 10, 2012

The Honorable Ben Bernanke  
Chairman of the Board of Governors  
Federal Reserve System

Dear Chairman Bernanke:

I am writing to express my concern about the recently approved Basel III Capital Proposals and the effect these proposals will have on the Community Bank that employs me and has been vital to my community for 130 years. The Home Loan Savings Bank has built its reputation and success based on personal banking practices, getting to know our customers and their needs, building trust, and letting them know we care and want to help them achieve their financial goals. These goals range from starting a Squirrel Saver account for their children to financing their college education, financing starter homes as stepping stones to fulfilling their dream of building a new home, and financing small businesses and supporting them as they develop and grow. We are dedicated to serving our community in ways that will not only make a better life for people on a personal level, but for the community as a whole by keeping our economy moving. Community Banks have a crucial role in helping our people achieve their dreams.

The people in our communities are already struggling economically due to job loss and cutbacks. By increasing the capital requirements for small banks like mine, you are essentially crippling the opportunity for our community and its people to continue to progress. This proposal makes it even more difficult for smaller banks to stay competitive and affordable and still yield a profit margin large enough to continue business as it is. It is possible banks like Home Loan Savings Bank will have to cut jobs, raise fees, and cut products, which is again a negative on the community.

Community banks are not responsible for the current economic environment. Passing this bill will not only impact all Community Banks, but also our citizens and their families. Our country was founded on trust, faith and determination to have better lives. The same is true now; people need hope and reasons to trust that you, the leaders in our government are sincerely considering the effect your decisions have on them. They need support and an opportunity to succeed in their lives. We as a bank do that.



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I am against the Basel III Capital Proposal because it will make it even more difficult to promote economic progress for our people, our businesses, our communities, states and ultimately our country. This trickle effect is happening in so many facets of our country it is scary. We need positive change and this is not positive for Community Banks but more importantly affects our citizens who strive for good lives and the prosperity of our nation as a whole.

Thank you for allowing me to share my concerns with you.

Sincerely,

A handwritten signature in cursive script that reads "D. Sharlynn Smith".

D. Sharlynn Smith



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