

MARLIN A. STUTZMAN  
3RD DISTRICT, INDIANA

COMMITTEE ON AGRICULTURE

COMMITTEE ON THE BUDGET

COMMITTEE ON VETERANS' AFFAIRS

CHAIRMAN, SUBCOMMITTEE ON  
ECONOMIC OPPORTUNITY

ASSISTANT WHIP

**Congress of the United States**  
**House of Representatives**  
**Washington, DC 20515**

October 26, 2012

The Honorable Ben Bernanke  
Chairman  
The Federal Reserve System  
20<sup>th</sup> Street and Constitution Ave, NW  
Washington, DC 20551

The Honorable Marty Gruenberg  
Acting Chairman  
Federal Deposit Insurance Corporation  
550 17<sup>th</sup> Street, NW  
Washington, DC 20429

The Honorable Tom Curry  
Comptroller  
Office of the Comptroller of the Currency  
250 E Street, SW  
Washington, DC 20219

1728 LONGWORTH HOUSE OFFICE BUILDING  
WASHINGTON, DC 20515  
(202) 225-4436

1300 SOUTH HARRISON STREET, SUITE 3105  
FT. WAYNE, IN 46802  
(260) 424-3041

320 NORTH CHICAGO AVENUE, #9B  
GOSHEN, IN 46528  
(574) 533-5802

874 NORTH LIMA ROAD, SUITE B  
KENDALLVILLE, IN 46755  
(260) 599-0554

THE BOATHOUSE, SUITE D  
700 PARK AVENUE  
WINONA LAKE, IN 46590  
(574) 269-1940

<http://stutzman.house.gov>

Dear Chairman Bernanke, Comptroller Curry and Acting Chairman Gruenberg:

The undersigned members of the United States House of Representatives from Indiana write to caution the adoption of proposed BASEL III capital rules across the full spectrum of the banking industry. While we understand the concerns for an adequate and unified global capital rule imposed equally for those institutions that provide international financial transaction services to their customers, we are concerned about the applicability to the community banks in the United States.

Community banks rarely, if ever, provide services to customers on an international basis and do not have offices in other countries. Community bank channels to raise additional capital have diminished greatly since the beginning of the financial crisis. Many small, rural communities throughout the country rely heavily upon the continued viability of these community financial institutions. Indiana provides hundreds of such examples of this unique relationship. Anything that impairs the ability of these small, local institutions to continue providing access to capital seems to us to be counter to our goals of maintaining a broad and diverse universe of financial service providers.

The restrictions relating to capital gains and losses treatment, phase out of Trust Preferred Securities capital treatment (not contemplated in the Dodd Frank Act), the excessive risk weighting's disproportional affect, and restrictions placed on dividends and discretionary

bonuses all appear to negatively impact community banks. For these reasons, we believe that community banks should not have BASEL III capital rules imposed upon them.

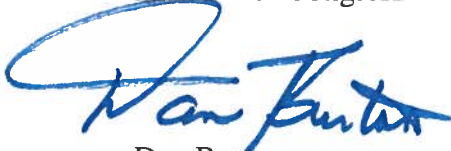
Sincerely,



Marlin Stutzman  
Member of Congress



Larry Bucshon  
Member of Congress



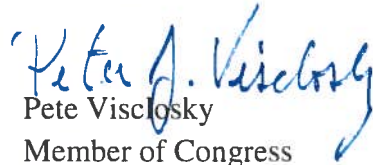
Dan Burton  
Member of Congress



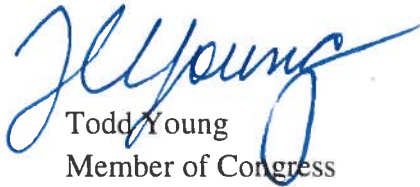
Joe Donnelly  
Member of Congress



Todd Rokita  
Member of Congress



Pete Visclosky  
Member of Congress



Todd Young  
Member of Congress