

**Meeting Between Chairman Powell, Vice Chairman Clarida, Governor Brainard,
Governor Bowman, Staff of the Federal Reserve Board, and Representatives of the
Conference of State Bank Supervisors
April 2, 2019**

Participants: Chairman Jerome H. Powell, Vice Chairman Richard H. Clarida, Governor Lael Brainard, Governor Michelle W. Bowman, Mark Van Der Weide, Michael Gibson, Eric Belsky, Andreas Lehnert, Mary Aiken, Antulio Bomfim, Keith Coughlin, Carol Evans, Constance Horsley, Michael Johnson, Suzanne Killian, Minh-Duc Le, Robin Prager, Margaret Shanks, Todd Vermilyea, Anthony Cain, Juan Climent, Megan Drefchinski, Wendy Dunn, Darren Gersh, Varda Hussain, David Johnston, Allison Lamb, Anh Quach, Nancy Riley, Jonathan Rono, Katie Ross, and Aleksandra Wells (Federal Reserve Board)

Michael Hill, Hobart Reed Jr., John Ahlen IV, Candace Franks, Susannah Marshall, Scott Cameron, Jan Owen, Scott Wyckoff, Dana Barbieri, James Cooper, Margaret Liu, Vickie Peck, Mary Quist, Nathan Ross, John Ryan, Daniel Schwartz, Michael Stevens, Matthew Smith, Ronald Rubin, Oscar Fears III, Kevin Hagler, Iris Ikeda, Mary Hughes, Kerri Doll, Deborah Hagan, Paul Isaac, Charles Wiggins, Patrick Land, Ron Hansen, John Enzbrenner, Timothy Kemp, Charles Vice, Lloyd LaFountain III, Antonio Salazar, Cynthia Begin, Mary Gallagher, Karen Lawson, Megan Verdeja, Maxwell Zappia, Roshunda Kelly, Charlotte Corley, Lee Keith, Melanie Hall, Kelly O'Sullivan, Mark Quandahl, Gerald Little, Marlene Caride, Richard Mumford, Kevin Graham, Christopher Moya, Shirin Emami-Khoei, Linda Lacewell, Katherine Bosken, Raymond Grace, Ha Nguyen, Inger Kruse, Kevin Allard, Timothy Arthun, Robin Wiessmann, George Joyner, Kathy Bickham, Renee Dzek, Bret Afdahl, Charles Cooper, Ryan McCarthy, Cristina Nahidi, William Purdom, Gregory Wisian, George Leary, Darryle Rude, Molly Dillon, Edward Face Jr., Charles Clark, Roberta Hollinshead, Kathy Blumenfeld, Catherine Haberland, Albert Forkner, Joseph Mulberry, Amanda Ortega, and Jeffrey Vogel (Conference of State Bank Supervisors).

Summary: Representatives of the Conference of State Bank Supervisors (CSBS) met with Chairman Powell, Vice Chairman Clarida, Governors Brainard and Bowman, and Federal Reserve Board staff to discuss areas of common interest, including the proposed community bank leverage ratio (CBLR). Representatives noted that state bank regulators can provide valuable perspective on the financial and economic conditions in their states, and they strongly encouraged the Federal Reserve and other federal financial institution regulators to coordinate with states on a broad range of supervisory and regulatory matters. Representatives commented that regulatory relief for community banks was needed. While they supported simplifying capital requirements and providing optionality to community banks that meet certain criteria, they shared concerns that the CBLR as currently proposed (Docket No. R-1638) could create additional regulatory burden for community banks. In particular, representatives noted that the proposal establishes a new prompt corrective action (PCA) framework applicable to banks that fall below the required 9 percent leverage ratio and do not opt out of the CBLR program.

Representatives said rather than tying the new leverage ratio to the PCA framework, banks falling below the CBLR should be required to calculate risks and report capital ratios under the current rules.