Proposal: 1712(AF86) Reg Q; Paycheck Protection Program Lending Facility and Paycheck Protection Program Loans

Description:

Comment ID: 137202

From: Alpine Bank, Eric Gardey

Proposal: 1712(AF86) Reg Q; Paycheck Protection Program Lending Facility and Paycheck Protection Program Loans

Subject: Regulatory Capital Rule: Paycheck Protection Program Lending Facility and Paycheck Protection Progra

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Comments:

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Regulatory Capital Rule: Paycheck Protection Program Lending Facility and Paycheck Protection Program Loans

My understanding of the Interim final rule is that PPP loans a bank makes must be pledged to the new PPPL Facility in order to be excluded from the calculation of Average Total Consolidated Assets or Total Leverage Exposure. Our organization has sufficient on balance sheet liquidity to fund the expected volume of PPP loans we originate. At this time, we do not anticipate having to access the PPPL Facility.

The interim final rule as written puts us at a disadvantage in terms of calculating our Leverage Capital Ratio. We will need to include all PPP loans on our books in the Average Total Consolidated Assets calculation.

I would suggest that all PPP loans carried on the books of a bank, whether pledged to the PPPL Facility or not, be excluded from the calculation of total leverage exposure, average total consolidated assets, advanced approaches-total risk weighted assets, and standardized total risk-weighted assets.

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Eric Gardey
Chief Financial Officer
Tel: +19703843257
2200 Grand Ave.
Glenwood Springs, CO 81601
[https://www.alpinebank.com