Congress of the United States
Washington, DC 20515

October 22, 2012

The Honorable Ben S. Bernanke
Chairman
Board of Governors of the Federal Reserve System
20th Street and Constitution Avenue, NW
Washington, DC 20551

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

The Honorable Martin J. Gruenberg
Acting Chairman
Federal Deposit Insurance Corporation
550 17th Street, NW
Washington, DC 20429

Dear Chairman Bernanke, Comptroller Curry, and Acting Chairman Gruenberg:

We support your efforts to improve capital standards for banking institutions to ensure that every bank—whether large or small—has a sufficient financial buffer to absorb losses. Following the financial crisis, banks across Maryland increased the capital they hold, and we fully appreciate that the failure to set appropriate minimum capital levels and evaluate properly the quality of a bank's capital puts not only the bank at risk, but also its customers and the local economies in which the bank operates.

However, we have heard concerns from many community banks in Maryland that the complex capital rules the Federal Reserve, the Comptroller of the Currency, and the Federal Deposit Insurance Corporation proposed in June 2012 will unnecessarily hamper bank lending and have a negative impact on Maryland's economy. Specifically, community banks inform us that the proposed Basel III and Standardized Approach standards will require them to increase their capital and liquidity holdings dramatically on mortgage and small business loans, which will result in fewer and more costly home and business loans for Marylanders.

As you continue to work on capital standards to strengthen our banking system, we strongly encourage you to avoid needless complexity and consider the impact any new framework will have on traditional depository institutions that provide credit to consumers and small businesses in our communities. We look forward to working with you on this as the process advances.

Sincerely,

Barbara A. Mikulski
United States Senator

Benjamin L. Cardin
United States Senator

teny H. Hoyer
Member of Congress

Roscoe G. Bartlett
Member of Congress

Elijah E. Cummings
Member of Congress

C.A. Dutch Ruppersberger
Member of Congress

Chris Van Hollen
Member of Congress

Donna F. Edwards
Member of Congress

John P. Sarbanes
Member of Congress

Andy Harris
Member of Congress