

Congress of the United States
Washington, DC 20510

January 6, 2014

The Honorable Ben Bernanke
Board of Governors of the Federal Reserve System
20th Street and Constitution Avenue, N.W.
Washington, D.C. 20551

The Honorable Martin Gruenberg
Federal Deposit Insurance Corporation
550 17th Street, N.W.
Washington, D.C. 20429

The Honorable Thomas J. Curry
Office of the Comptroller of the Currency
400 7th Street, S.W., Suite 3E-218
Washington, D.C. 20219

Dear Messrs. Bernanke, Gruenberg, and Curry:

As members of the Iowa Congressional delegation, we write to you regarding the recently finalized Volcker Rule requirements as required by the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act). Iowa has a rich tradition of community banking, and we are proud of the work that Iowa's community banks do to support their local communities. That is why we are concerned about a particular provision included in the Volcker Rule that would unnecessarily negatively impact a number of Iowa's community banks.

While in general the Volcker Rule appropriately treats community banks who were not responsible for causing the financial crisis, we are concerned about the portion of the rule governing the treatment of pools of trust-preferred securities (TruPs) owned by community banks. We do not believe that the Volcker Rule is the appropriate place for your agencies to reconsider how community banks manage their existing holdings of performing TruPs.

This portion of the Volcker Rule would require community banks in Iowa to recognize a loss in the current quarter for any unrealized losses related to these holdings and liquidate these securities by July 2015. That will have a negative impact on these banks' earnings and capital, and would be inconsistent with the way that Congress chose to treat TruPS in other portions of the Dodd-Frank Act. In addition, the unrealized losses related to these securities are the result of the illiquid market for these securities, not the result of credit losses, meaning that if community

banks were able to hold these securities to maturity the anticipated losses would be very minimal, if not zero.

For that reason, we believe that you should revisit this portion of the Volcker Rule and use your clear authority under the Dodd-Frank Act to more adequately protect community banks.

Thank you for your attention to this important issue. We look forward to hearing from you.

Sincerely,



Tom Harkin
United States Senator



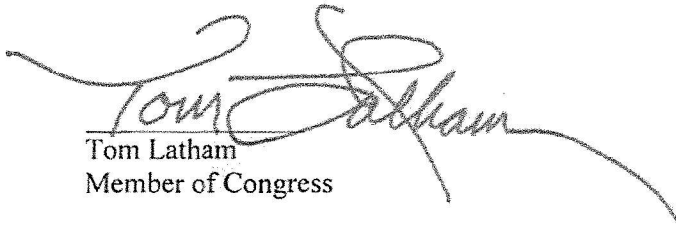
Charles Grassley
United States Senator



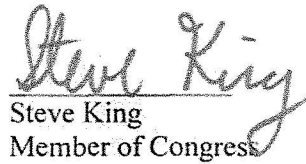
Dave Loebsack
Member of Congress



Bruce Braley
Member of Congress



Tom Latham
Member of Congress



Steve King
Member of Congress