

## MEMORANDUM

**To:** Public Comment File on Basel II Rulemaking

**From:** Kieran Fallon

**Date:** September 15, 2006

**Subject:** Meeting with representatives of the American Bankers Association

On September 13, 2006, Messrs. Scott Alvarez and Kieran Fallon of the Board's Legal Division met with the representatives and members of the American Bankers Association (ABA) listed below. During this meeting, the representatives and members of the ABA encouraged the banking agencies in developing new capital rules to seek to maintain a fair and balanced competitive playing field for banking organizations of all sizes and to provide banking organizations with choice and flexibility in computing regulatory capital to the extent possible and consistent with safety and soundness. In particular, the members and representatives suggested that small banking organizations should have the flexibility to remain under the current Basel I regime, that middle-tier banking organizations should have the choice to use Basel I or Basel I-A (when finalized), and that Basel II should allow large banking organizations the ability to follow the Basel II standardized approach or a simplified advanced IRB approach.

Mr. Mark Tenhundfeld, ABA

Mr. Keith Leggett, ABA

Mr. Gregory Michael St. Etienne, First Independence Bank

Mr. John M. Bond, Jr., The Columbia Bank

Mr. Brad L. Champlin, Regions Bank

Mr. Billy G. Hartley, Southside Bank