Congress of the United States
Washington, DC 20515

November 3, 2011

John G. Walsh
Comptroller of the Currency
Administrator of National Banks
Washington, DC 20219

Ms. Jennifer J. Johnson
Secretary
Board of Governors of the Federal Reserve
System 20th Street & Constitution Avenue, NW
Washington, DC 20551

Mr. Gary Kuiper
Counsel
Attn: Comments, Room F-1086
Federal Deposit Insurance Corporation
550 17th Street, NW
Washington, DC 20429

Information Collection Comments
Chief Counsel's Office
Office of Thrift Supervision
1700 G Street, NW
Washington, DC 20552 Attention: 1550-0023
(TFR Schedule DI Revisions)

Dear Sir or Madam:

We are writing to encourage the Federal Deposit Insurance Corporation (FDIC) to reevaluate portions of the definition of High Risk Assets (HRA) as they are currently written in the Large Bank Pricing Model. While we understand the need for greater risk awareness in the banking system, a "one size fits all" approach may do more long-term harm than good. The current FDIC definitions do not take into account the industry concerns related to the creation of inconsistent standards across regulators. More importantly, these definitions have not demonstrated a satisfactory link between these oversimplified definitions of HRA's and high risk.

We are concerned with the subprime evaluations because there are no severity evaluators or proportionality evaluators in the definition. Our understanding is that counting occurrences of late payments without factoring in the severity and proportionality of the debt is universally considered an antiquated risk assessment technique and no longer common business practice. Without severity evaluators (a late notice for a $100 debt is considered just as severe as a $100,000 debt) and proportionality evaluators (a single 60 day late notice incurred 72 months ago is viewed equally as multiple 60 day late notices that occurred within the last several months), the definition is overly simplified and does not consider other factors that would indicate a subprime borrower.

Additionally, we are concerned that the FICO score is not taken into consideration. The final ruling indicates the reason for deleting references to FICO and other credit bureau scores "is that the FDIC has decided not to use a credit score threshold as a potential characteristic of a subprime borrower. Such a definition would require reliance on credit scoring models that are controlled by the credit bureau..." With the new definition, however, financial institutions are just as reliant as ever on credit bureau information.

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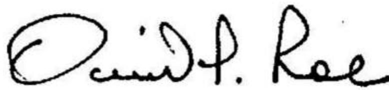
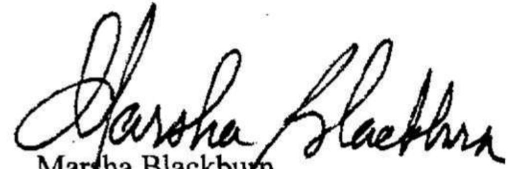
Finally, we believe that time should be taken to further study this rule and make sure that the definition is correct instead of a quick implementation. In general, the definition as to what is and is not included in the HRA analysis is vague and leaves a lot to interpretation between financial institutions, which will result in banks reporting inconsistently and FDIC assessments will be skewed. Short of a coordinated definition across regulatory bodies and a statistical validation performed according to regulatory standards, at a minimum the proposal should go through a period of evaluation and study.

Thank you for your consideration of our concerns. We look forward to receiving a response addressing this rule.

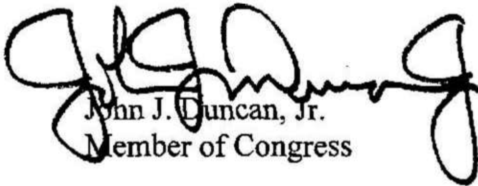
Sincerely,



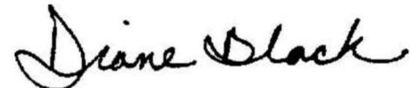
David P. Roe
Member of Congress



Marsha Blackburn
Member of Congress



John J. Duncan, Jr.
Member of Congress



Diane Black
Member of Congress

Chuck Fleischmann
Member of Congress