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Washington State Senate

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October 22, 2012

Jennifer J. Johnson, Secretary
Board of Governors of the Federal Reserve
System
20th Street and Constitution Avenue, N.W.
Washington, D.C. 20551

Office of the Comptroller of the Currency
250 E Street, SW
Mail Stop 2-3
Washington, DC 20219

Robert E. Feldman, Executive Secretary
Attention: Comments/Legal ESS
Federal Deposit Insurance Corporation,
550 17th Street, N.W.
Washington, D.C. 20429

Re: Basel III Capital Proposals

Ladies and Gentlemen:

Thank you for the opportunity to provide comment on the Basel III proposals³ that were recently issued and for giving this issue the attention it deserves.

While I applaud a demand for regulation in the wake of the financial crisis, caused by poor lending practices, I am also concerned about an approach that limits my state's lending institutions from providing access to capital. As a Washington State Senator, I have heard concerns voiced by both our community banks and our state bank regulator, the Department of Financial Institutions. Both our banks and regulators claim that the proposed rules were drafted with large financial institutions in mind with insufficient regard to how the changes would impact how community banks could help serve their communities.

According to the Economic Alliance of Snohomish County in Washington, over 200 regional businesses and potentially 6,000 to 10,000 jobs will be at risk in Snohomish County if our community banks must meet the onerous capital requirements outlined in the Basel III proposals.

Washington State, like many other states in the county, wants our community banks to be able to continue serving our communities in the way they have in the past. A strong economy is dependent on job growth and job growth is dependent on availability of capital to fund the small businesses of our communities that produce many of our jobs.

Thank you for the opportunity to express my concerns on behalf of our community banks.

Sincerely,

A handwritten signature in black ink, appearing to read "Nick Harper".

Nick Harper

³ The proposals are titled: *Regulatory Capital Rules; Regulatory Capital, Implementation of Base III, Minimum Regulatory Capital Ratios, Capital Adequacy, and Transition Provisions; Regulatory Capital Rules: Standardized Approach for Risk-weighted Assets; Market Discipline and Disclosure Requirements; and Regulatory Capital Rules: Advanced Approaches Risk-based Capital Rules; Market Risk Capital Rule.*