

Carver **S**tate **B**ank of Savannah

Number One In Service

Via Overnight Mail

October 19, 2012

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

Mr. Robert E. Feldman
Executive Secretary
Attention: Comments/Legal ESS
Federal Deposit Insurance Corporation
550 17th Street, NW
Washington, DC 20429

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

Re: Regulatory Capital Rules

Ladies and Gentlemen:

Carver State Bank is a small community bank located in Savannah, Georgia. Our bank, which was founded in 1927, is one (1) of only twenty-eight (28) African-American owned banks in the United States. We serve a predominately African-American, low-to-moderate income community in Savannah. If we were not present in our market, many of the individuals we serve would be forced to depend on high-cost, predatory financial service providers such as pawnshops, check cashers and payday lenders to meet their basic financial needs. Throughout our history, we have



played a critical role in providing basic financial services and sorely needed credit to local working people, small businesses and community-based non-profits that have few, if any, other options for participating in the mainstream financial system.

Carver is a U.S. Treasury-certified Community Development Financial Institution (CDFI) and a member of the National Bankers Association (NBA), a trade organization formed in 1927 to represent the interests of minority depository institutions. The CDFI Fund, NBA and other local, national and regional groups and publications have frequently recognized our work in the low-income community, which is accomplished under challenging federal and state regulations. We are the only bank headquartered in our market that routinely earns an "OUTSTANDING" Community Reinvestment Act (CRA) Performance Rating.

We are writing to register our serious concerns about the proposed rules of the Office of the Comptroller of the Currency, the Federal Reserve Board and the Federal Deposit Insurance Corporation (collectively, the Agencies) that purport to implement the Basel III regulatory capital reforms from the Basel Committee on Banking Supervision and changes required by the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (the Dodd-Frank Act).

We support the Agencies' efforts to regulate the capital of large financial institutions whose risky activities, size and complexity pose a threat to the integrity of the global financial system. However, as drafted, the Proposed Rules would be harmful at best, and fatal at worst, to our institution and other community banks across the country. There is no compelling reason to require minority banks or community banks to comply with a regulatory scheme that is designed to insure that adequate capital levels are maintained by megabanks where risky trading activities or questionable lending practices could negatively impact the entire global free market system. Our institution, and institutions like ours, cannot threaten global markets in these ways. Requiring us to adhere to rules designed for megabanks can, however, threaten the most vulnerable members of our society and endanger a fragile economic recovery.

Simply put, applying the Proposed Rules to institutions like ours could devastate our ability to continue to serve our communities and result in further limiting the ability of low-to-moderate income individuals, small businesses and other organizations in our service areas to access basic financial services or credit. One unintended consequence of applying these rules to minority banks and other community banks will be to inflict additional economic hardship on low-to-moderate income people and minority communities that were hit hardest by the recent economic crisis. Additionally, our institutions have limited access to investment resources to help meet capital requirements that are more onerous than those that exist today.

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We implore you to seek a common-sense way to rein in the excesses of giant financial institutions that does not cripple the small, minority and community banks that serve the most vulnerable segments of our society. Our banks should not be subject to these proposed new rules.

Thank you for your consideration and for the opportunity to comment on the Proposed Rules. If you have any questions, feel free to contact me at (912) 447-4203 or rjames@carverstatebank.com.

Sincerely,



Robert E. James
President

cc: President Barack Obama
Senator Johnny Isakson
Senator Saxby Chambliss
Representative Jack Kingston
Representative John Barrow