

**Congress of the United States**  
**Washington, DC 20515**

October 23, 2012

The Honorable Ben Bernanke  
Chairman  
The Federal Reserve System  
20<sup>th</sup> Street and Constitution Avenue, N.W.,  
Washington, DC 20551

The Honorable Tom Curry  
Comptroller  
Office of the Comptroller of the Currency  
250 E. Street, S.W.  
Washington, D.C. 20551

The Honorable Martin J. Gruenberg  
Acting Chairman  
Federal Deposit Insurance Corporation  
550 17<sup>th</sup> Street, N.W.,  
Washington, DC 20429

**RE: Regulatory Capital Rules: (1) Regulatory Capital, Implementation of Basel III, Minimum Regulatory Capital Ratios, Capital Adequacy, Transition Provisions, and Prompt Correction Act: Docket No. R-1442; RIN 3064-AD95; Docket ID OCC-2012-0008; and (2) Standardized Approach for Risk-Weighted Assets, Market Discipline and Disclosure Requirements: RIN No. 7100-AD87; RIN 3064-AD96; Docket ID OCC-2012-0009**

Dear Chairman Bernanke, Acting Chairman Gruenberg, and Comptroller Curry:

The undersigned Members of Congress representing the State of Wisconsin respectfully submit the following comments expressing concerns with the potential impact that Basel III regulatory capital requirements may have on community banks in Wisconsin.

The Dodd-Frank Wall Street Reform and Consumer Protection Act already imposes minimum capital and risk-based capital requirements on all banks, and banks are complying with these requirements. In addition, the agreement reached by the Basel Committee on Banking Supervision (Basel III) has prompted your various agencies to release a joint notice of proposed rulemakings to revise risk-based and leverage requirements that will apply to *all* U.S. banks, with the exception of bank holding companies that have consolidated assets of less than \$500 million. Basel III was primarily conceived as an international standard for large, sophisticated banks. We urge you to carefully weigh the effect that these proposed rules will have on small banks, particularly with respect to commercial and consumer community lending, and to consider an approach that is appropriately scaled for the size and complexity of the banking institution covered.

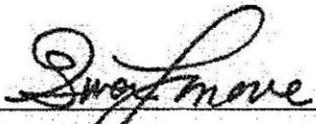
We recognize and appreciate the work of your agencies to draft, propose, and finalize rules related to protecting the soundness of the global banking system. However, we continue to worry that the proposed rulemakings overlay an unnecessary burden on community banks that may restrict community lending by small banks, discourage banks from purchasing and holding long-

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term assets like Treasury notes and municipal bonds, and promote consolidation of community banks without a corresponding benefit in the overall soundness of the banking system. Therefore, we believe that a "dual" approach that recognizes the disparate risks and business models of small community banks and large banks ultimately best serves Wisconsin by permitting a robust community banking system to flourish, while still mitigating the risks to the financial system posed by insured institutions.

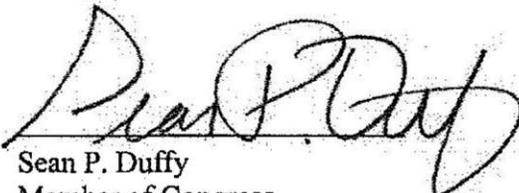
We look forward to working with you on this issue in the coming months. Thank you for your consideration of our comments.

Sincerely,



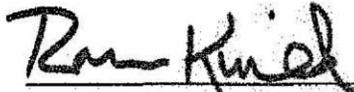
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Gwen Moore  
Member of Congress



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Sean P. Duffy  
Member of Congress



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Ron Kind  
Member of Congress



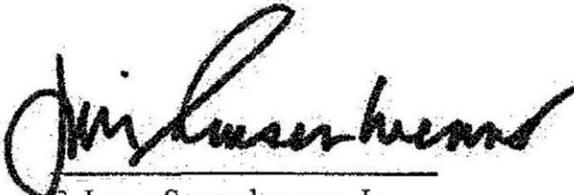
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Tom Petri  
Member of Congress



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Reid Ribble  
Member of Congress



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F. James Sensenbrenner, Jr.  
Member of Congress