

Congress of the United States
Washington, DC 20515

April 18, 2013

Ben Bernanke, Chairman
Board of Governors of the Federal Reserve System
20th Street and Constitution Avenue, N.W.
Washington, D.C. 20551

Dear Chairman Bernanke:

We thank you for your continued leadership in the face of the formidable economic headwinds that are still hitting the economy. We also thank you and the Fed for your willingness to revisit the effect of the Basel III capital proposals on community banks and the rationale behind including community banks under Basel III. As you noted in a meeting with House Financial Services Committee Democrats on April 10, capital requirements for smaller institutions require a different calculus than that for larger banks.

We have come to learn of one particularly unfortunate outcome resulting from the Collins Amendment that we wish to share with you and your staff that is impacting a New York-based community bank holding company, New York Private Bank & Trust Corporation (NYPBTC), and we ask for your help to address this matter.

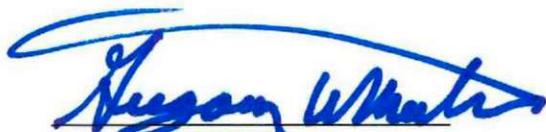
As senior Members of the House Financial Services Committee, we vividly recall the reasons that Congress excluded community banks from certain regulations in the financial regulations bill, including the Collins Amendment. Unfortunately, due to an anomaly, NYPBTC is subject to the large bank capital requirements that the Collins Amendment excluded community banks from. This anomaly stems from the retroactive effect of the Collins Amendment, which unfortunately impacts NYPBTC because a December 31, 2009 measurement date was used by the Congress. Based on the asset measurement date under the Collins Amendment when, we understand, NYPBTC was over \$15 billion for a brief period that stemmed from its efforts to respond to the financial crisis in the U.S., NYPBTC is still treated as a large bank under the Collins Amendment even though operationally it functions as a community bank and has done so from the time of passage of the Dodd-Frank Act to the present.

In the 112th Congress, we co-sponsored bipartisan legislation to overturn the inequity facing this community bank because of the adverse impact the Collins Amendment's oversight would have on lending and mortgage finance availability in New York. We would be pleased to see the situation rectified through appropriate regulatory measures, so that all community banks are operating on an even playing field. This can be achieved by allowing a phase-in of Collins requirements at 10% per year for the next two years, giving the bank time to build up additional capital.

Given circumstances here, we believe that careful consideration of a request for temporary relief is appropriate.

We ask you to give this matter your urgent attention and hope that, upon doing so, you will respond appropriately in order to rectify the anomalous regulatory result described and exclude smaller institutions such as NYPBTC from certain capital requirements intended for larger financial institutions. Please feel free to contact us and our staff if you wish to have further discussion about this issue. We look forward to working with you on the very many important issues before the Congress.

Sincerely,



Gregory W. Meeks
Member of Congress



Carolyn McCarthy
Member of Congress

cc:

Robert DeV. Frierson, Secretary
Board of Governors of the Federal Reserve System
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