

Congress of the United States
Washington, DC 20510

December 18, 2013

The Honorable Jacob Lew
Secretary
United States Department of the Treasury
1500 Pennsylvania Avenue, NW
Washington, D.C. 20220

The Honorable Ben Bernanke
Chairman
United States Federal Reserve System
20th Street and Constitution Avenue, NW
Washington, D.C. 20551

The Honorable Martin Gruenberg
Chairman
Federal Deposit Insurance Corporation
550 17th Street, NW
Washington, D.C. 20429

The Honorable Gary Gensler
Chairman
Commodity Futures Trading Commission
1155 21st Street, NW
Washington, D.C. 20581

Dear Sirs:

We write to express concern regarding the treatment of collateralized debt obligations (CDOs), specifically those backed by trust-preferred securities (TRUPS), under the so-called "Volcker Rule."

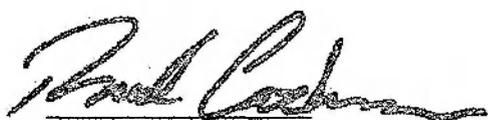
It is our understanding that the rule would require the divestiture of trust-preferred securities. This regulation would have serious effects on a number of banks in Mississippi and across the nation. While most community and regional banks are not actively involved in proprietary trading, they do use hedges to manage exposure to interest rate risk. Congress intended for the provision from which the Volcker Rule is derived to provide regulation of proprietary trading by the world's largest banks, not the divestiture of legitimate portfolio holdings of regional and community banks. Such a decision should not be made without first seeking comment from community banks.

This new requirement could undervalue the securities that banks currently hold and could force banks to sell TRUPS at a substantial loss, which could significantly reduce the available capital in Mississippi communities. Further, it could require regional and community banks to rapidly divest of current TRUPS, which could result in significant revenue loss for these banks.

We request that you consider measures to protect community banks that already hold TRUPS. Additionally, while we believe parts of the Volcker Rule will have significant effects on banks of all types, we ask that you at least consider immediate action to exclude banks holding less than \$10 billion in assets from this part of the Volcker Rule.

Thank you for your attention to this matter. Please do not hesitate to contact us should you require additional information.

Sincerely,



THAD COCHRAN
United States Senator



ROGER WICKER
United States Senator



BENNIE THOMPSON
United States Congressman



GREGG HARPER
United States Congressman



ALAN NUNNEL EE
United States Congressman



STEVEN PALAZZO
United States Congressman