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COMMITTEE ON  
FINANCIAL SERVICES

Congress of the United States  
House of Representatives

Washington, DC 20515

January 10, 2014

The Honorable Ben Bernanke  
Chairman  
Federal Reserve Board of Governors  
20<sup>th</sup> Street and Constitution Avenue, NW  
Washington, D.C. 20429

The Honorable Thomas Curry  
Comptroller  
Office of the Comptroller of the Currency  
400 7<sup>th</sup> Street, SW  
Washington, D.C. 20219

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

The Honorable Mark Wetjen  
Acting Chairman  
Commodity Futures Trading Commission  
1155 21<sup>st</sup> Street, NW  
Washington, D.C. 20581

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

The Honorable Mary Jo White  
Chairman  
Securities and Exchange Commission  
100 F Street, NE  
Washington, D.C. 20549

Dear Sirs and Madam:

I write to express serious concern over the treatment of collateralized debt obligations (CDOs) backed by trust preferred securities (TruPS) in the final iteration of the Volcker Rule promulgated late last year.

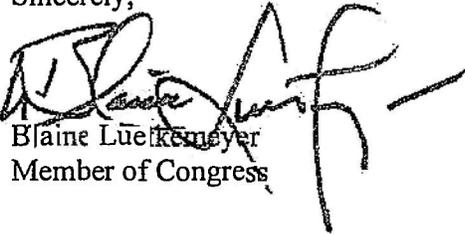
Let me begin by saying that the intent of the Volcker Rule is well understood. Taking steps to address the root causes of the financial crisis is an important task. However, the unintended consequences that surround the treatment of TruPS, among other items, will be felt immediately by hundreds of institutions across Missouri and the nation. You are well aware that financial institutions, particularly community banks, typically hold TruPS CDOs to maturity, at least 30 years. Because of the institution of the Volcker Rule, these institutions will be forced to divest themselves of these assets and take an immediate write-down. The negative implication for a bank's balance sheet could be catastrophic. An institution's capital and/or earnings could be significantly impaired or, in some cases, completely erased. This will undoubtedly lead to problems during examinations and could, in some cases, ultimately result in increased bank failures or mergers.

As understand it, the original intent of the Volcker Rule was to ensure that the nation's largest financial institutions abstained from proprietary trading that posed threats to the U.S. economy and consumers. As has been recognized repeatedly by countless regulators and

Members of Congress, community financial institutions did not cause the financial crisis and should not necessarily be held to the same standards as large multinational banks. The treatment of TruPS under your final rule will cause undue harm to a sector of the economy that is already struggling, and will undoubtedly constrict lending in communities across this nation. These threats run afoul of the purpose and intent of the Volcker Rule.

It is imperative that you examine the consequences of your actions and work quickly to address this issue and revise this portion of the final rule. Thank you for your immediate attention to this matter.

Sincerely,



Blaine Luetkemeyer  
Member of Congress