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Proposal: 1505 (7100-AE26) Reg Q -Risk-Based Capital Guidelines: Global Systemically Important BHC's  
Subject:

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Comments:

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Proposal:Regulation Q: Risk-Based Capital Guidelines: Implementation of Capital Requirements for Global Systemically Important Bank Holding Companies [R-1505]

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Your comment:This proposed regulation has been reported in the media, and the following about it, also has been reported in the media. Basically, the GSIB have met with with Fed Governor Daniel Tarullo at one of their periodic meetings to discuss same. They allege that it will disadvantage them and their shareholders in the world market against other weaker international banks by mandating that they provide additional capital security greater than the Basel, BCBS. Moreover, they intimate that they should not be held to that higher capital retention standard, due to the strengthening dollar. Further the GSIB stated that they would provide their comment thereon. According to this web site, as of my comment herein, they have not done so, as of today February 27,2015.

Respectfully, I disagree with the propriety of their position for the following reasons:

First, while the dollar was weaker since the recession, apparently, they have not complained in public, nor suffered economically. In fact they, by all public accounts they have done exceedingly well globally and nationally, in everything from commodities to new derivatives. In fact, the latter was further enabled in the Dodd-Frank push-out granted by Congress last December. Commensurate therewith, bonuses have soared, until now. Conversely, taking their reasoning into account of lowering capital requirements when the dollar is strong, when the dollar weakens again as it inevitably will, why shouldn't it be adopted in the proposed rule, to increase their capital reserves, based upon a sliding scale at this end of the spectrum, as well?

Second, the whole point of this proposed rule, is to protect the systemic failure of the US economy, comprised of the the 318 million of us, and not merely, if at all, the shareholders of the GSIB. Fed Chairman Yellen stated in her December 9, 2014 succinct press release statement, the the goal of this proposed rule is "...to encourage such firms to reduce their systemic footprint and lessen the threat that their failure could pose to overall financial stability." Accordingly, the GSIB have that option, and that is there choice. However, it was again reported in the press this week, that two of them have chosen not to do so. Consequently, they are not without clean hands for refusing to do so, and they are the ones imperiling their shareholders, and not the Fed, They must accept the consequences of their actions of providing greater capital reserves. It is their choice.

In closing and again respectfully, it would be inappropriate to accommodate merely the GSIB at the potential expense of our overall economy, and further and as important, the 318 million of us, who are still fighting to recover from those primarily responsible for proximately causing our great recession. We continue to fight increasingly rampant economic inequality, and we have the right to be protected via

our economy, as well.