

Proposal: 1638 (AF29) Reg Q - Regulatory Capital Rule: Capital Simplification for Qualifying Community Banking

Description:

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Comment ID: 133730

From: Mark Williamson

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Subject: R-1638; Reg Q - Regulatory Capital Rule: Capital Simplification for Qualifying Community Banking Org

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Comments:

NONCONFIDENTIAL // EXTERNAL

Dear Secretary Misback,

Please consider my comments on your proposal to establish a "community bank leverage ratio" (CBLR) to implement Section 201 of the Economic Growth, Regulatory Relief, and Consumer Protection Act ("EGRRCPA"). I applaud both Congress for passage of this important bill, and for your efforts in attempting to implement Section 201 to provide very important regulatory burden relief for community banks.

[My bank is located in Snyder, Texas, has \$134,000,000 in assets, Tier 1 leverage of 12% and Tier 1 risk based capital ratio of 20%.]

The current risk based capital calculations are complex at best, and do not appear to be designed for the community bank model. Regardless of the outcome of a final rule, I urge you to revisit the calculation of risk based capital for community banks.

We are very familiar with the calculation of Tier 1 Leverage Ratios, and are required to provide this information on our quarterly call report submissions, you are proposing yet another leverage capital calculation. We would appreciate not having another capital ratio to calculate, especially as we may determine that we will ultimately need to shift between the CBLR and the current risk based capital calculation.

Sincerely,

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