



February 28, 2020

Submitted Electronically

Ann E. Misback,
Secretary, Board of Governors of the Federal Reserve System,
20th Street and Constitution Avenue NW,
Washington, DC 20551

Robert E. Feldman,
Executive Secretary,
Attention: Comments, Federal Deposit Insurance Corporation,
550 17th Street NW,
Washington, DC 20429

Re: Request for Information on Application of the Uniform Financial Institutions Rating System, RIN 3064-ZA08.

Dear Ladies and Gentlemen,

The Wisconsin Bankers Association (WBA) is the largest financial trade association in Wisconsin, representing approximately 220 state and nationally chartered banks, savings and loan associations, and savings banks. WBA appreciates the opportunity to comment on the Federal Reserve and Federal Deposit Insurance Corporation's (agencies) request for information on the Uniform Financial Institutions Rating System (UFIRS), commonly known as CAMELS ratings.

The CAMELS rating system was adopted by the Federal Financial Institutions Examination Council in 1979 to provide a methodology for evaluating the soundness of depository institutions on a uniform basis. Exam findings provide the primary means for assessment under this system, which includes six evaluation components: Capital, Asset Quality, Management, Earnings, Liquidity, and Sensitivity to Market Risk. Examiners assign CAMELS components and composite ratings on a scale of "1" to "5." A rating of "1" indicates the highest rating, strongest performance and risk management practices, and the least degree of supervisory concern, whereas a "5" indicates the lowest rating, weakest performance, inadequate risk management practices, and therefore, the highest degree of supervisory concern. The agencies are seeking information and comments regarding the consistency of assigned CAMELS ratings, as well as feedback on the current use of those ratings in bank application and enforcement action processes.

WBA generally supports the agencies' efforts to review the CAMELS rating system which has not been revised since 1996. CAMELS ratings have significant supervisory and practical considerations. The agencies may base supervisory activities upon an institution's rating, consider ratings when evaluating expansion activity such as opening a new branch, and in safety and soundness considerations. Furthermore, CAMELS ratings are important to determining deposit insurance premiums and overall development of products and business strategy. To that end, it is important that the agencies remain mindful of modern banking trends,

regulations, and business diversity. WBA also supports the recommendations of other commenters that the agencies, together with the OCC, engage in formal rulemaking to revise the CAMELS framework.

WBA appreciates the opportunity to comment on the agencies' request for information, and would welcome the opportunity to review and comment on future rulemaking proposing an initial framework.

Sincerely,

A handwritten signature in black ink, reading "Rose Oswald Poels". The signature is written in a cursive, flowing style.

Rose Oswald Poels
President/CEO