

WILLIAM BOSCO

Proposal and Comment Information

Title: Regulatory Capital Rule: Category I and II Banking Organizations, Banking Organizations with Significant Trading Activity, and Optional Adoption for Other Banking Organizations, R-1887

Comment ID: FR-2026-0007-01-C149

Submitter Information

Name: William Bosco

Submitted Date: 06/19/2026

June 19, 2026
Benjamin W. McDonough, Secretary
Board of Governors of the Federal Reserve System
20th Street and Constitution Avenue NW, Washington, DC 20551

Jennifer M. Jones, Deputy Executive Secretary
Attention: Comments/Legal OES (RIN 3064-AF29); Comments—RIN 3064-AG23

Federal Deposit Insurance Corporation
550 17th Street NW
Washington, DC 20429
Chief Counsel's Office
Attention: Comment Processing

Office of the Comptroller of the Currency
400 7th Street, SW, Suite 3E-218
Washington, DC 20219

Re: Regulatory Capital Rule: Category I and II Banking Organizations, Banking Organizations With Significant Trading Activity, and Optional Adoption for Other Banking Organizations; Regulatory Capital Rules: Regulatory Capital and Standardized Approach for Risk-Weighted Assets
Federal Reserve: Docket No. R-1887, RIN 7100-AH20; Docket No. R-1888, RIN 7100-AH21
FDIC: RIN 3064-AF29; RIN 3064-AG23
OCC: Docket ID OCC-2026-0265, RIN 1557-AF52; Docket ID OCC-2026-0034, RIN 1557-AF49

Dear Sir/Madam,

I apologize for missing the deadline for submission of comment letters, but hope you will consider my comments on bank regulatory risk weighting. I am a consultant to the leasing industry. I was a member of the FASB/IASB Leases Project Working Group. New accounting theories created ROU operating lease assets and failed sale-leaseback assets, causing GAAP to diverge from the legal and tax view of what constitutes an asset and a liability. The legal and tax standard is risks and rewards analysis to see which party owned the asset.

Basel reacted to the new assets by treating them no differently from other bank assets. I request that the ROU equipment operating lease assets carry a zero risk weighting. I request that the ROU real estate operating lease assets carry a low (to be determined) risk weighting. It is all explained in this article: Accounting standard-induced regulatory capital management: evidence from the new lease accounting standard ASC 842

https://www.sciencedirect.com/science/article/pii/S0278425426000037?__cf_chl_tk=khr8Thd4yo6PwGDJydKsO3aEO_bEkErWuPRiAR07y4c-1780332243-1.0.1.1-qhfAacfZx36nZZCRKqJLgq.bYHKqjgv6J3OQYD5pU

I uploaded a file showing the impact of lost lending capacity from capital held to support ROU assets for US banks with the largest reported amounts of ROU assets in 2024.

I also request that you consider the impact of ASC 842 on sale-leaseback accounting. Banks often use the sale-leaseback of owned buildings to raise capital. The typical structure is a sale with a leaseback that includes a fixed, non-bargainable purchase option. The transaction structure is considered a sale and operating leaseback for IRS tax and UCC rules. Once sold, the bank no longer owns the building, and the

lease is an executory contract, so the lease obligation disappears in bankruptcy. I request that the asset in a failed sales leaseback carry a zero risk weighting.

There is a natural reluctance to allow RAP vs GAAP exceptions, but the ability to set zero or low (realistic) risk weightings helps keep things simple while reflecting legal and economic substance. Based on my experience with the trend of the accounting regulators, for good financial reporting transparency reasons, to create frameworks that diverge from the legal and tax frameworks, it should mean that bank regulators should be flexible to maintain a bank capital policy that reflects legal substance.

Sincerely,
William Bosco, CEO
Leasing101
Leasing-101.net

2024 ROU Capital Analysis (\$millions) and Lost Earnings							
Bank	ROU Assets	Tier 1 Capital %	Excess Capital Held	ROE %	2024 AT Income	Lost AT Income	% Lost Income
Bank of America	\$ 8,527	13.2	\$ 1,126	12.9	\$ 25,503	\$ 145	0.6%
JP Morgan	\$ 8,500	16.8	\$ 1,428	18.0	\$ 58,500	\$ 257	0.4%
TD BNK	\$ 3,800	13.1	\$ 498	8.9	\$ 8,300	\$ 44	0.5%
Wells Fargo	\$ 3,900	11.1	\$ 433	11.4	\$ 18,600	\$ 49	0.3%
PNC	\$ 1,600	10.5	\$ 168	11.9	\$ 5,500	\$ 20	0.4%
US Bank	\$ 1,400	10.6	\$ 148	11.7	\$ 1,600	\$ 17	1.1%
Huntington	\$ 300	12.4	\$ 37	10.4	\$ 1,800	\$ 4	0.2%
Truist	\$ 300	11.5	\$ 35	13.3	\$ 5,000	\$ 5	0.1%
Totals	\$ 28,327		\$ 3,872		\$ 124,803	\$ 542	0.4%