FIRST FEDERAL BANK, DAVID BREWER

Proposal and Comment Information

Title: Regulatory Capital Rules: Regulatory Capital and Standardized Approach for Risk-weighted Assets, R-1888

Comment ID: FR-2026-0008-01-C175

Submitter Information

Organization Name: First Federal Bank

Organization Type: Company

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Submitted Date: 06/10/2026

see attachment

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Office of the Comptroller of the Currency
400 7th Street, SW
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Re: Regulatory Capital Rule: Proposed Revisions to the Risk-Based Capital Framework for Category I and II Banking Organizations and Modifications to the Standardized Approach for Credit Risk

Dear Sir/Madam:

First Federal Bank appreciates the opportunity to comment on the notices of proposed rulemaking (the "NPRs") issued by the Board of Governors of the Federal Reserve System (the "Board"), the Federal Deposit Insurance Corporation (the "FDIC"), and the Office of the Comptroller of the Currency (the "OCC") (jointly, the "Agencies"). The NPRs consist of (i) proposed revisions to the risk-based capital framework for Category I and II banking organizations (the "Basel III Proposal") and (ii) proposed modifications to the standardized approach for credit risk applicable to other banking organizations (the "Standardized Approach Proposal," and together with the Basel III Proposal, the "Proposals").

First Federal Bank appreciates that the Agencies have meaningfully revised the framework in response to industry input. Notwithstanding these positive developments, several aspects of the Proposals as drafted would impede the goals of risk sensitivity, market stability, and access to mortgage credit. These outstanding issues are important for the residential mortgage market, where bank participation in origination and servicing has steadily declined over the past decade. Capital calibration influences where mortgage servicing is held. The continued application of an excessive 250% standardized risk weight could contribute to the further migration of servicing activity toward nonbank entities that are not subject to the same punitive capital standards for servicing assets. These are concerns that the final rules should seek to reverse, not exacerbate.

First Federal Bank respectfully recommends that the Agencies make the following changes to the Proposals to better support the U.S. real estate finance system:

A. Warehouse Lines and Commitments: Bank warehouse lending is critical to the U.S. real estate finance market, supporting more than 60% of single-family mortgage originations. First Federal Bank urges the Agencies to carefully examine the impact of certain provisions of the Proposals that could impair the supply of warehouse credit and liquidity to the mortgage market. Our recommendations are highlighted below:

(i)retain the current definition of "commitment";

(ii) preserve a 0% CCF for unconditionally cancelable, secured warehouse facilities;

(iii) restore the maturity-based CCF approach for other commitments so that short-term warehouse lines retain the current 20% CCF;

(iv) decline to apply the 24-month peak-balance methodology to undrawn RRE and CRE warehouse lines; and permit a look-through approach aligned with the underlying mortgage collateral for warehouse lending facilities structured as repo transactions, which have had minimal historical loss experience, or reduce the risk weight on drawn warehouse advances to no more than 50%.

First Federal Bank appreciates the opportunity to comment and would like to ensure ongoing dialogue with the Agencies with respect to the Proposals. Please do not hesitate to contact me if you require additional information.

Respectfully submitted,

G. David Brewer. CPA
Senior Executive Vice President & CFO
First Federal Bank