UNITED STATES SENATE, ELIZABETH WARREN, ET. AL.

Proposal and Comment Information

Title: GSIB-Regulatory Capital Rule: Risk-Based Capital Surcharges for Global Systemically Important Bank Holding Companies; Systemic Risk Report (FR Y-15), R-1889

Comment ID: FR-2026-0009-01-C80

Submitter Information

Organization Name: United States Senate

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United States Senate
COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS
WASHINGTON, DC 20510–6075

June 12, 2026

The Honorable Michelle Bowman
Vice Chair for Supervision
Board of Governors of the Federal Reserve System
20th Street and Constitution Ave NW
Washington, DC 20551

The Honorable Travis Hill
Chairman
Federal Deposit Insurance Corporation
550 17th Street NW
Washington, DC 20429

The Honorable Jonathan Gould
Comptroller of the Currency
Office of the Comptroller of the Currency
400 7th Street SW
Washington, D.C. 20219

Dear Vice Chair Bowman, Comptroller Gould, and Chairman Hill:

We respectfully request that the Federal Reserve Board (Fed), Office of the Comptroller of the Currency (OCC), and Federal Deposit Insurance Corporation (FDIC) grant a 180-day extension of the comment period for the three major capital proposals issued on March 19, 2026, including the Basel III Endgame proposal.[1] The agencies have not afforded the public sufficient time to evaluate all three proposals, which are complex, span more than 1,500 pages, impact every bank in the country, and could increase the likelihood of big bank failures and taxpayer bailouts at a moment of significant economic uncertainty.

The three proposed capital rules include material changes to the Basel III risk-weights for big banks, the risk-weighted surcharge for the eight U.S. Global Systemically Important Banks,[2] and

[1] Board of Governors of the Federal Reserve System, Federal Deposit Insurance Corporation, Office of the Comptroller of the Currency, "Agencies request comment on proposals to modernize the regulatory capital framework and maintain the strength of the banking system," press release, March 19, 2026, https://www.federalreserve.gov/newsevents/pressreleases/bcreg20260319a.htm.
[2] The eight are JPMorgan Chase, Citigroup, Bank of America, Goldman Sachs, Bank of New York Mellon, Morgan Stanley, State Street, and Wells Fargo. Board of Governors of the Federal Reserve System, "Global Systemically Important Banks," February 25, 2026, https://www.federalreserve.gov/supervisionreg/global-systemically-important-banks.htm.

the standardized risk-weights that apply to most banks in the country. These changes, when combined with other recent agency actions, would reduce loss-absorbing capital requirements at big banks by at least 5%, and potentially by as much as 15 percent.[3]
A material reduction in loss absorbing capital could increase the likelihood of big bank failures, taxpayer bailouts, and economic disruption at a precarious moment for the U.S. economy. Consumer sentiment is at all-time lows,[4] private credit markets are showing signs of distress,[5] and President Trump's dangerous war with Iran has triggered a global energy shock that drastically increased the price of oil.[6] American families are increasingly feeling the pain of President Trump's failed economic agenda. The last thing our economy needs are disruptive and costly bank failures that cut off credit to businesses and households.

Against this backdrop, the agencies have provided the public with only 90 days to evaluate and provide comment on all three significant capital proposals. Collectively, these proposals impact every bank in the country. Each proposal is complex on a standalone basis, and deeply interconnected with the other proposals and recent agency actions. It is critical that your agencies extend the comment period to allow members of Congress, members of the public, community banks, and other interested parties a fair opportunity to provide input, in line with past precedent. For example, in 2023, regulators initially provided a more than 120-day comment period for two proposed rules that would have strengthened big bank capital requirements.[7] Big bank trade associations pushed for an extension of the comment period.[8] Your agencies granted it, setting a comment period of 173 days.[9]

Failing to grant an extension would establish a troubling double standard, giving the public less time to comment on rulemakings that the banking industry supports and more time to comment on rulemakings that the industry opposes. Therefore, we once again ask that your agencies grant

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[3] Board of Governors of the Federal Reserve System, "Memorandum: Basel III proposal, GSIB surcharge proposal, and standardized approach proposal," March 19, 2026, https://www.federalreserve.gov/aboutthefed/boardmeetings/files/board-memo-basel-gsib-standardized-approach-20260319.pdf; Better Markets, "The Main Street Economy Will Suffer If Capital Is Reduced For Wall Street's 8 Megabanks," Christopher Appel and Phillip Basil, April 27, 2026, https://bettermarkets.org/analysis/the-main-street-economy-will-suffer-if-capital-is-reduced-for-wall-streets-eight-megabanks/, pp. 10-11.

[4] CBS News, "U.S. consumer sentiment is at the lowest it has ever been, but what is it?," Jeff Wagner, May 26, 2026, https://www.cbsnews.com/minnesota/news/what-is-us-consumer-sentiment.

[5] Reuters, "Private credit funds slash loan values as borrower stress rises," Naomi Rovnick, May 12, 2026, https://www.reuters.com/legal/transactional/private-credit-funds-slash-loan-values-borrower-stress-rises-2026-05-12/.

[6] PBS News, "U.S. gasoline prices rise 50% since the start of the Iran war," Cathy Bussewitz, May 5, 2026, https://www.pbs.org/newshour/economy/u-s-gasoline-prices-rise-50-since-the-start-of-the-iran-war.

[7] Board of Governors of the Federal Reserve System, Federal Deposit Insurance Corporation, Office of the Comptroller of the Currency, "Agencies request comment on proposed rules to strengthen capital requirements for large banks," press release, July 27, 2023, https://www.federalreserve.gov/newsevents/pressreleases/bcreg20230727a.htm.

[8] American Banker, "Regulators extend comment period on Basel III endgame proposal," Kyle Campbell, October 20, 2023, https://www.americanbanker.com/news/regulators-extend-comment-period-on-basel-iii-endgame-proposal.

[9] Board of Governors of the Federal Reserve System, Federal Deposit Insurance Corporation, Office of the Comptroller of the Currency, "Agencies extend comment period on proposed rules to strengthen large bank capital requirements," press release, October 20, 2023, https://www.federalreserve.gov/newsevents/pressreleases/bcreg20231020a.htm.

a 180-day extension of the comment period for the three major capital proposals issued on March 19, 2026, to provide the public with adequate time to analyze their potential impact on our financial system.

Sincerely,

Elizabeth Warren
Ranking Member
Committee on Banking,
Housing, and Urban Affairs

Jack Reed
United States Senator

Chris Van Hollen
United States Senator

Tina Smith
United States Senator