

**Meeting between Governor Powell and
Representatives of the American Bankers Association (ABA)
September 18, 2012**

Participants: Governor Jerome Powell, Anna Lee Hewko and Connie Horsley (Federal Reserve Board)

Francis Anthony Keating and Cecelia Calaby (ABA), W. David Hemingway (Zions Bancorporation), Mark A. Hoppe (Cole Taylor Bank), John A. Ikard (First Bank Holding Company), James R. Kelly (Arvest Bank Group), Charles E. Knadler (Enerbank USA), Gerald Lipkin (Valley National Bank), William Charles Losch III (First Horizon National Corporation), Raymond Specht (Toyota Financial Savings Bank), and Larry R. Uhlick (BBVA Compass)

Summary: Representatives of the ABA and some of its member institutions met with Governor Powell and Board staff to discuss certain aspects of the Basel III-related proposed rulemaking. The discussion focused on a number of topics, including concerns over the proposed treatment of accumulated other comprehensive income and mortgage exposures, the application of the proposed rules to smaller banking organizations and the related cost implications, and the cumulative impact of regulatory reforms. In addition, ABA representatives discussed the restrictions on proprietary trading and hedge fund and private equity fund activities under section 619 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (also known as the "Volcker Rule"). The discussion focused on concerns relating to compliance demands for a banking organization to demonstrate that the Volcker Rule does not apply. Certain ABA representatives suggested the notion of some type of exemption from the rule for entities with minimal trading activities.