

**Meeting Between Governor Tarullo and
Representatives of the Indiana Bankers Association
October 1, 2012**

Participants: Governor Daniel Tarullo (Federal Reserve Board member), Jennifer Gallagher, and Jon Hiratsuka (Federal Reserve Board staff)

Indiana Bankers Association: Lisa Arnold, Jerry Ault, Jay Baker, Michael Bauer, Anthony Brandon, Andrew Briggs, Roger Cromer, Charles Crow, Stephen DeHaven, Dax Denton, Wayne Deveary, Sharon Ferguson, David Geis, Patrick Glotzbach, Corey Heath, Lori Heath, David Heeter, James Hiatt, Chad Kozuch, James Marcuccilli, Kristin Marcuccilli, Michael Marhenke, Karen Miller, Larry Myers, Debbie Myers, Gary Neese, Joseph Pierce, Tade Powell, James Rickard, Larry Riggs, Gregory Sherrard, Gregory Siegrist, Bill Thanoukos, Marvin Veatch, Mel Ward, Ryan Warner, Jonathan West, Lucas White, Sydney Whitlock, and Douglas York

Summary: Representatives of the Indiana Bankers Association met with Governor Tarullo to discuss implementation of the Dodd-Frank Wall Street Reform and Consumer Protection Act (“the Act”). Association members expressed concern about the impact on community banks of the proposed changes to regulatory capital requirements in the joint notice of proposed rulemaking (Docket No. R-1442), which would implement provisions of the Act and the Basel III regulatory capital reforms. Association members cited the complexity of the proposal and the potential costs and compliance burden on community banks. In particular, association members expressed concerns about proposed risk weights on certain types of mortgages, loans, and other assets; the treatment of trust preferred securities; and the inclusion of other comprehensive income in capital. Association members said the proposed regulations would force banks to curtail lending and limit their ability to serve customers. They also noted the capital-raising difficulties faced by smaller institutions.