

**Meeting Between Governor Duke and  
Representatives of the Missouri Bankers Association  
October 2, 2012**

**Participants:** Governor Elizabeth Duke (Federal Reserve Board member), Nancy Riley, and Jon Hiratsuka (Federal Reserve Board staff)

**Missouri Bankers Association:** Richard Adams, Karen Anderson, Susan Barrett, Robert Barrett, Scott Breckenkamp, Kyle Burch, Ewart Burch, Shaun Burke, Daniel Combs, Carl Cook Jr., Bradley Gregory, John Klebba, Christine Lepper, Kenneth Littlefield, Marylyn Luetkemeyer, Brice Luetkemeyer, Jeanette Marcel, David McClure, Keith Monson, William Murray, Sheila Noll, Thomas O'Neal, Thomas Page, Nathan Purdome, Dianna Robb, Daniel Robb, Rodney Shepard, James Smith, Byron Thompson, Timothy Thompson, Mark Thompson, Donald Thompson, David Tribble, and David Turner

**Summary:** Representatives of the Missouri Bankers Association met with Governor Duke to discuss implementation of the Dodd-Frank Wall Street Reform and Consumer Protection Act ("the Act"). Association members expressed concern about proposed changes to the 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 expressed concern about the cost, complexity, and compliance burden of the proposal, as well as the proposed time frame for implementing the capital proposals and numerous other regulations. Specifically, association members cited problems with proposed risk weights on mortgages and other assets, the inclusion of other comprehensive income in capital, capital buffer requirements, and the treatment of trust preferred securities. Several association members suggested (1) using a tiered approach to implement new regulatory requirements in order of importance and (2) having a phase-out period for trust preferred securities that would be tied to their maturity dates. Noting that smaller institutions were finding it difficult to raise capital, association members said the capital proposals would force community banks to adopt a very conservative posture that would, in turn, curtail lending and service to customers and adversely affect economic growth.