Meeting Between Governor Duke and Representatives of the North Carolina Bankers Association
February 6, 2013

Participants: Governor Elizabeth Duke (Federal Reserve Board member), Jennifer Gallagher, and Margaret Miller (Federal Reserve staff)


Summary: Representatives of the North Carolina Bankers Association met with Governor Duke to discuss recent and forthcoming regulations implementing the Dodd-Frank Wall Street Reform and Consumer Protection Act (“the Act”) and their impact on community banks. Association members had concerns about the compliance burden resulting from required rulemakings under the Act. In particular, several association members said that the joint notice of proposed rulemaking on minimum capital requirements (Docket No. R-1442) would prove unnecessarily burdensome for community banks. Concerns noted by association members about the proposal included the elimination of trust preferred securities from inclusion in additional tier 1 capital and increased risk-based capital charges for certain types of mortgages. Some association members said that many community banks would not be able to meet the proposed effective date for the provisions applicable to them. Association members also expressed broader concerns about the proposal, including negative effects on lending and competition, and resulting industry consolidation.