



November 6, 2006

Jennifer J. Johnson  
Secretary  
Board of Governors of the  
Federal Reserve System  
20<sup>th</sup> St. and Constitution Ave, NW  
Washington, DC 20551  
Docket Nos. R-1261 and R-1265

Regulation Comments  
Chief Counsel's Office  
Office of Thrift Supervision  
1700 G Street, NW  
Washington, DC 20552  
Attn: Nos. 2006-33 and 2006-34

Robert E. Feldman  
Executive Secretary  
Attn: Comments  
Federal Deposit Insurance Corporation  
550 17<sup>th</sup> Street, NW  
Washington, DC 20429  
RIN 3064-AC73 and 3064-AD10

Office of the Comptroller of the  
Currency  
250 E Street, SW  
Mail Stop 1-5  
Washington, DC 20219  
Docket Nos. 06-09 and 06-10

Re: Risk-Based Capital Standards: Advanced Capital Adequacy Framework  
71 FR 55830 (September 25, 2006)  
Risk-Based Capital Standards: Market Risk  
71 FR 55958 (September 25, 2006)

Dear Sir or Madam:

America's Community Bankers (ACB)<sup>1</sup> hereby requests an extension of the comment periods on the proposed advanced capital adequacy and market risk frameworks, known as Basel II, issued by the Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, the Office of Thrift Supervision, and the Office of the Comptroller of the Currency (collectively, the "Agencies"). The proposals were published in the Federal Register on September 25, 2006, with comments due on January 23, 2007.

We understand that the Agencies are in the process of finalizing a notice of proposed rule making ("NPR") for an amended Basel I, or Basel IA, but, pending Office of Management and Budget review of up to 90 days, the publication of the NPR may be delayed for several months. ACB strongly believes that Basel II should not be implemented unless changes are made to Basel I to more closely align capital with risk for the majority of depository institutions in the United

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<sup>1</sup> America's Community Bankers is the member driven national trade association representing community banks that pursue progressive, entrepreneurial and service oriented strategies to benefit their customers and communities. To learn more about ACB, visit [www.AmericasCommunityBankers.com](http://www.AmericasCommunityBankers.com).

States. In addition, ACB believes that small community banks should continue to have the option to comply with Basel I in its current form.

The Basel II proposals are complex and have far reaching consequences for our members. We agree with statements by the Agencies that there must be a substantial overlap in comment periods for Basel II and Basel IA, which will allow for consideration of the overall capital frameworks for all banks.

For these reasons, we request that the Agencies extend the comment period on the Basel II NPRs so that our members have sufficient time to consider the impact of this important proposal in conjunction with the equally important Basel IA proposal. It is critical for our members to have the opportunity to study these proposals simultaneously so that they may evaluate each of the proposed capital frameworks and the effect the proposals will have on the capital determinations for their institution.

We look forward to the Agencies' prompt response to our request for an extension for comments on the Basel II NPRs given the delay in the publication of the Basel IA NPR.

Sincerely,

A handwritten signature in black ink, reading "Robert R. Davis". The signature is written in a cursive, flowing style with a large initial "R".

Robert Davis  
Executive Vice President and  
Managing Director, Government Relations