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**Submitted electronically**

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400 7<sup>th</sup> Street SW  
Washington, D.C. 20219  
Docket ID OCC-2025-0141

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Board of Governors of the Federal Reserve System  
Washington, D.C. 20551  
FRB Docket NO. R-1876 and RIN 7100-AH08

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550 17<sup>th</sup> Street NW  
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RIN 3064-AG17

**RE: Regulatory Capital Rules: Supporting Revisions to the Community Bank Leverage Ratio (CBLR) and eliminating the 25% cap on Mortgage Servicing Rights.**

Dear Ladies and Gentlemen:

I appreciate the opportunity to comment on the Notice of Proposed Rulemaking issued on December 1, 2025, concerning proposed revisions to the Community Bank Leverage Ratio (CBLR) framework.

The Bank of Commerce and Trust Company is a \$115 million community bank serving customers within approximately a 60-mile radius of Wellington, Kansas. We operate under a traditional community banking model focused on retail banking, small business and commercial real estate lending, residential mortgage lending, agricultural lending and wealth management. We currently operate under the CBLR framework and strongly support the Agencies' proposal to reduce the CBLR requirement from 9 percent to 8 percent, as well as the proposal to extend the grace period for temporary noncompliance.

Although our bank remains well capitalized, we have experienced periods in which routine balance-sheet fluctuations caused our leverage ratio to fall below the current 9 percent CBLR threshold. When this occurs, we must prepare to operate under the more complex Basel III capital framework. These transitions impose operational burden and planning uncertainty without a corresponding improvement in safety and soundness. Reducing the CBLR threshold to 8 percent would provide greater capital stability and predictability, allowing management to devote resources to lending, risk management, and community service rather than to unnecessary regulatory transitions.

Importantly, lowering the CBLR requirement to 8 percent would not materially increase risk to the financial system or to the communities we serve. Community banks operating under the CBLR framework maintain straightforward balance sheets, limited trading activity, and remain subject to strong supervisory oversight. An 8 percent leverage ratio remains well above historical capital norms for well-capitalized institutions and continues to provide a meaningful buffer against stress. For banks such as ours, the benefits of improved capital planning, regulatory simplicity, and reduced regulatory inefficiencies—along with an enhanced ability to meet the evolving credit and financial service needs of our communities—clearly outweigh any incremental risk.

We also support the proposal to extend the grace period for temporary noncompliance from two to four quarters. This additional flexibility would allow community banks to address short-term capital fluctuations in a measured and prudent manner, consistent with sound capital management practices and the original intent of the CBLR framework.

In addition, we encourage the Agencies to eliminate the 25 percent limitation on mortgage servicing assets included in common equity tier 1 capital for banks operating under CBLR. Although this limitation is not currently constraining our institution, it is inconsistent with the objectives of the CBLR framework and contributes to unintended competitive effects by discouraging regulated banks from retaining mortgage servicing assets. Eliminating this cap would improve policy coherence without increasing risk or altering our institution's risk profile.

Thank you for considering these comments. We appreciate the Agencies' continued efforts to refine the CBLR framework in a manner that promotes strong capital, regulatory simplicity, and the long-term vitality of community banking.

Respectfully submitted,

[REDACTED]  
J. C. Long  
President/CEO