



## Independent Bankers Association of Texas

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Christopher L. Williston VI, CAE  
President and CEO  
IBAT, Austin

January 30, 2026

Jennifer M. Jones, Deputy Executive Secretary  
Attention: Comments/Legal OES RIN 3064-AG17  
Federal Deposit Insurance Corporation  
550 17th Street NW  
Washington, DC 20429  
Via Email: [Comments@FDIC.gov](mailto:Comments@FDIC.gov)

Benjamin W. McDonough, Deputy Secretary  
Board of Governors of the Federal Reserve System  
20th Street and Constitution Avenue NW  
Washington, DC 20551  
Via Agency website: <https://www.federalreserve.gov/apps/proposals/>

Chief Counsel's Office  
Attention: Comment Processing  
Office of the Comptroller of the Currency  
400 7th Street SW, Suite 3E-218  
Washington, DC 20219  
Via Federal eRulemaking Portal: <https://regulations.gov/>

Re: FDIC RIN 3064-AG17; FRB Docket No. R-1876 and RIN 7100-AH08; OCC OCC-2025-0141

Ladies and Gentlemen,

This letter is submitted on behalf of the Independent Bankers Association of Texas ("IBAT") a trade association that represents the independent community banks of Texas, and by extension the communities they serve, expressing our enthusiastic support for the proposed rulemaking to revise the Community Bank Leverage Ratio ("CBLR") framework.

Below is an excerpt from our 2019 comment letter (attached).

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**Nine Percent CBLR – IBAT supports strong capital requirements for banks of all sizes. We also recognize that the opportunity to avoid the tedious and complex calculations of the present risk-based capital adequacy determinants is worth in some instances maintaining a marginally higher equity capital ratio. While exceptions exist, the fact is that bankers are generally fine with lower capital levels than regulators would like to see.**

*A number of our members have indicated they would prefer an 8 percent floor, which remains well above the new (2019) capital requirements of 7 percent for community banks, including the capital conservation buffer. These banks would, under that particular capital adequacy matrix, be considered "well-capitalized". As discussed below, the rule as proposed will likely not result in banks at or near the CBLR threshold opting to take advantage of this alternative.*

*Regulators should continue to have the ability to assess capital adequacy on a bank-by-bank basis dependent upon a variety of factors and respond accordingly. Lowering the CBLR threshold to 8 percent would add more than 50 Texas banks and approximately 600 community banks across the country that could at least consider a simplified capital regime.*

This proposed rulemaking recognizes that Texas community bankers support of an 8% floor was reasonable all along and recognizes that floor poses no risk to the banking system.

This change in particular aligns the requirement with the statutory minimum established by the Economic Growth, Regulatory Relief, and Consumer Protection Act (EGRRCPA). By lowering the bar, the agencies estimate an additional 475 community banks across the country will become eligible to opt into the framework, effectively freeing up capital for increased lending in local communities across Texas.

Additionally, the extension of the "grace period" to 4 quarters (one full year) significantly expands the time allowed to return to compliance from the current 2 quarters. The extension of the grace period will allow more banks a level of comfort when opting in when faced with short-term economic shifts.

One issue (excerpted below) that we suggested in our 2019 comment letter is worth suggesting again.

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***Applicability to Capital Requirements at Bank and Holding Company*** - *Additionally, language should be added to the proposal clarifying that CBLR applies to either a bank or a holding company that qualify as a QCB separately and individually. In other words, a bank (that is a QCB) may meet the CBLR while the parent holding company (also a QCB) does not meet the CBLR, or vice versa. In theory, based upon various leverage scenarios, that is distinctly possible. While this appears to be the intent of the proposal, clarification would be appreciated.*

On behalf of Texas community banks, we appreciate the agencies taking action to ensure more banks have the opportunity to opt in, meaning those same banks will avoid the complex task of calculating and reporting risk-weighted assets.

These revisions make the "simplified" path more attractive and stable, especially for community banks that are concerned about short-term fluctuations in their capital levels due to local economic shifts.

Very truly yours,

Christopher L. Williston VI  
President & CEO  
Independent Bankers Association of Texas