PUBLIC SUBMISSION

John Stevens

Posted by the **Comptroller of the Currency** on Dec 2, 2025

Comment

To the Office of the Comptroller of the Currency, the Board of Governors of the Federal Reserve System, and the Federal Deposit Insurance Corporation:

I am writing to submit comments on the proposed revisions to the Community Bank Leverage Ratio (CBLR) Framework, as detailed in the Federal Register notice dated December 1, 2025. I appreciate the agencies' efforts to solicit public input on this important regulatory matter.

The proposal to lower the CBLR requirement from 9 percent to 8 percent is a notable adjustment. My understanding is that this change aims to broaden eligibility for the framework, thereby allowing more community banking organizations to benefit from a simplified capital regime. This could indeed reduce regulatory burden, a goal I believe is important for fostering a healthy banking sector, especially for smaller institutions that may have fewer resources to dedicate to complex compliance. The projection that this change could increase the number of eligible institutions by 13-14% is significant and warrants careful consideration.

Furthermore, the proposed extension of the grace period for institutions that temporarily fall out of compliance with the CBLR qualifying criteria from two quarters to four quarters, with a limitation of eight quarters in any five-year period, also appears to be a constructive adjustment. My interpretation is that this extended timeframe would provide community banks with more flexibility to manage temporary fluctuations in their capital ratios without immediately facing the more complex risk-based capital requirements. This could reduce the operational challenges and costs associated with frequent transitions between regulatory frameworks, potentially encouraging wider adoption and sustained participation in the CBLR. The inclusion of a limitation on the total usage of the grace period demonstrates a thoughtful approach to balancing flexibility with prudential oversight.

I find the rationale behind these proposed changes compelling, particularly the stated objective of providing meaningful regulatory burden relief while maintaining safety and soundness. The data presented on current

CBLR participation rates, especially the higher adoption among smaller institutions, underscores the potential benefits of this framework.

I encourage the agencies to carefully consider all public comments to ensure the final rule effectively balances regulatory relief with the imperative of financial stability.

Thank you for the opportunity to comment on this proposal.

Sincerely,

An Interested Citizen

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