



October 23, 2025

VIA E-MAIL ONLY

Chief Counsel's Office
Attention: Comment Processing
Office of the Comptroller of the Currency
400 7th Street SW, Suite 3E-218
Washington, DC 20219

Ann E. Misback
Secretary
Board of Governors of the Federal Reserve System
20th Street and Constitution Avenue NW
Washington, DC 20551

Jennifer M. Jones
Deputy Executive Secretary
Attention: Comments—EGRPRA
Federal Deposit Insurance Corporation
550 17th Street NW
Washington, DC 20429

RE: Regulatory Publication and Review Under the Economic Growth and Regulatory Paperwork Reduction Act of 1996; RIN 3064-ZA39

To Whom It May Concern:

The Wisconsin Bankers Association (WBA) is the largest financial trade association in Wisconsin, representing nearly 180 state and nationally chartered banks, savings banks, and savings and loan associations of all sizes located in Wisconsin, their branches, and over 30,000 employees. WBA appreciates the opportunity to comment on the agencies' review of regulations under the Economic Growth and Regulatory Paperwork Reduction Act of 1996 (EGRPRA).

The agencies have undertaken this review pursuant to the requirements of EGRPRA. Over the course of approximately two years, the agencies have published four Federal Register documents requesting public comment on multiple categories of regulations. This current notice represents the fourth and final round of the EGRPRA review, focusing on the categories of Banking Operations, Capital, and the Community Reinvestment Act (CRA), as well as any rules finalized by the agencies as of July 25, 2025. Through this process, the agencies seek to identify outdated, unnecessary, or unduly burdensome regulatory requirements imposed on insured depository institutions and their holding companies. WBA supports the agencies' efforts to conduct this comprehensive review and offers the following comments to assist in evaluating regulations and identifying opportunities for meaningful burden reduction.

Banking Operations

WBA encourages the agencies to continue evaluating operational regulations that have not kept pace with technological advancements, evolving industry practices, or shifts in consumer behavior. The financial services industry has undergone a significant transformation in recent



years, particularly in the way banks interact with customers. The widespread adoption of digital banking platforms, mobile applications, and remote service delivery has fundamentally changed how consumers access financial services and how banks structure their operations. Many regulations under consideration in this category were written with the assumption of in-person interactions and physical branch networks or non-existent technologies.

For example, Regulation CC, while amended in recent years to reflect electronic check processing, still lacks clarity and structure around the treatment of remotely deposited items. As remote deposit capture has become a standard feature for both consumers and businesses, the regulation should be reconsidered in this light. Similarly, Regulation J has improved the framework for funds transfers, but further simplification would benefit smaller institutions that may not have the scale or infrastructure to absorb the compliance costs associated with increasingly complex electronic processing mandates. Agencies should consider broader review and update of regulations for purposes of technological and other developments.

In addition, many regulatory thresholds within the operations category have remained static for decades despite significant changes in economic conditions. These include thresholds related to reporting, lending limits, and asset size applicability. Previous EGRPRA review has focused on thresholds for which WBA has provided specific recommendations, but given the impact such matters have on operation, it bears worth mentioning again here. For example, bank operations are currently consumed by reporting requirements triggered by outdated regulatory thresholds, which no longer reflect the scale or frequency of routine transactions in today's banking environment.

Capital

WBA supports a balanced approach to capital regulation that recognizes the diversity of institutions subject to these rules. The Community Bank Leverage Ratio (CBLR) has provided meaningful relief for qualifying institutions, and WBA supports its continued availability. However, recent market pressures and interest rate volatility have made the current 9 percent calibration less effective for many community banks. WBA encourages the agencies to consider recalibrating the CBLR to a more appropriate level, such as 8 percent, to ensure broader access to the framework and to support credit availability in local markets.

More broadly, capital requirements should be risk-based and appropriately tailored to the institution's size, complexity, and business model. Community banks, which operate with lower risk profiles and relationship-based lending, should not be subject to capital pressures designed for large, complex institutions. At the same time, WBA recognizes that larger institutions operate within a distinct supervisory framework due to their scale and interconnectedness within the financial system. These institutions play a critical role in supporting market stability, liquidity, and economic growth. WBA encourages the agencies to ensure that capital standards for large institutions are appropriately calibrated to reflect their complexity, while also preserving flexibility to support innovation, competitiveness, and responsiveness to market conditions. However, WBA urges the agencies to ensure that capital rules designed for large banks do not impose unintended downstream burdens on smaller institutions through indirect application or overly broad implementation.

In addition, WBA encourages the agencies to ensure that future capital reforms for large institutions, such as changes to the enhanced supplementary leverage ratio or total loss-absorbing capacity requirements, are calibrated to avoid unnecessarily constraining low-risk activities like liquidity provision and market-making. Large institutions must be able to support the broader financial system without being subject to duplicative or overly rigid standards that



limit their ability to respond to market needs. WBA supports a capital framework that maintains safety and soundness while allowing institutions of all sizes to operate efficiently and competitively.

Lastly, capital requirements related to mortgage lending should be revisited. Mortgages originated and held by community banks are typically well-underwritten and low-risk, yet current capital rules overstate the risk of these assets. This discourages mortgage lending and limits access to affordable housing, particularly in rural and underserved areas. WBA recommends that the agencies recalibrate mortgage-related capital requirements to better reflect actual performance and risk, while maintaining appropriate safeguards for institutions with larger and more complex mortgage portfolios.

Community Reinvestment Act

With respect to the CRA, WBA supports the agencies' decision to rescind the 2023 CRA rule and return to the 1995 framework. The 2023 rule introduced overly complex, formula-driven requirements that would have increased regulatory burden without improving transparency or clarity for banks, regulators, or the public. WBA has previously submitted comments regarding the CRA rulemaking process and we continue to encourage modest improvements to the 1995 framework that reduce burden and provide greater clarity.

Conclusion

More broadly, WBA recommends that the agencies adopt inflation-adjusted thresholds across all applicable regulations to ensure rules remain relevant and proportionate. We also encourage the agencies to publish summary charts or guidance documents that distill complex rules into accessible formats for compliance staff. Finally, rules should include carve-outs or simplified compliance paths for institutions with CAMELS ratings of "1" or "2" and management ratings not lower than "2," as these institutions have demonstrated strong performance and should be afforded regulatory relief where appropriate.

WBA appreciates the opportunity to participate in the EGRPRA review process and looks forward to continued collaboration with the agencies to reduce regulatory burden while maintaining safety, soundness, and consumer protection.

Sincerely,

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Rose Oswald Poels
President/CEO

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