



## Thomas Wallace

The is a Comment on the **Comptroller of the Currency (OCC) Proposed Rule: Simplifications to the Capital Rule Pursuant to the Economic Growth and Regulatory Paperwork Reduction**

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### Comment

The proposed clarification will remove a major issue to utilization of the SBA 504 loan program, most notably by smaller community banks. The current situation implies a greater capital allocation against interim construction loans made under the 504 structure. This obviously reduces profitability, and thus is a clear, and clearly unintended, disincentive to Program utilization.

The benefits of the 504 structure to both small businesses and community banks are manifest: lower and long term fixed rate financing structures, make for sounder extensions of credit in a rising rate environment. These extensions of credit, support new, or in certain cases limited refinance, for capital asset expansions. The immediate impact in economic opportunity is clear, and clearly desirable.