From: Joan Christensen
Sent: Monday, February 18, 2019 11:24 PM
To: Comments
Subject: December 28, 2018 - Company-Run Stress Testing Requirements; Comment Request (RIN 3064–AE84)

I am opposed to all of the rollback of Dodd-Frank regulations in this proposal.

Dodd-Frank was enacted after the 2008 Great Recession in which many banks deemed "too big to fail" were bailed out by the taxpayer. Dodd-Frank put into place regulations designed to prevent another deep recession. This recession was caused by financial deregulation, and now this proposal plans to deregulate again. Many people lost their jobs, my friend being one. Many lost their homes, and many, including me, lost a substantial amount of money in retirement savings. I do not want to repeat that through deregulation again.

Limiting the annual stress testing to only banks that have over $250 billion eliminates the current oversight of banks to fewer than 10 banks, and only banks with assets of $100-$250 billion will be stress tested at all (every two years). Many of the banks bailed out with our tax dollars fall into this latter category, making it evident they need just as much oversight as the biggest banks.

Only stress testing every two years allows banks plenty of time to grow complacent about risks, letting their capital levels decline, leaving them less protected against losses. Especially concerning are lowered defenses against losses on loans for commercial real estate. Since these loans produced crippling losses to banks big and small, Dodd-Frank required these banks hold a higher amount of assets for these loans. Today, commercial real estate loans are 50% higher than five years ago, which increases the risk.

Eliminating the "adverse" category of stress testing, leaving only "baseline" and "severely adverse" means regulators would only be alerted only after a bank has failed or is near failure, not when it starts to have problems which could be corrected.

No longer requiring banks under $250 billion to regularly update how they would "wind down" in the event of failure, makes the probability of the taxpayer having to bail them out greater.

Removing the stress testing requirement of small community banks is supposed to be the good thing about this proposal since it is more burdensome to them than bigger banks. But this will make them less sensitive to regional economies and communities typically underserved by larger banks as they will be able to engage in riskier activities such as proprietary trading in securities and investing in certain hedge funds and private equity firms, These rollbacks chip away at consumer protections for rural Americans, myself being one, and those in out of the way places looking for mortgage credit.

In short, this new proposal insures that executives and shareholders of banks get the upside of deregulation while the public gets stuck with the downside.

Joan Christensen