

Congress of the United States
Washington, DC 20515

October 18, 2012

The Honorable Ben Bernanke
Chairman
Federal Reserve System
20th Street and Constitution Ave, NW
Washington, DC 20429

The Honorable Marty Gruenberg
Acting Chairman
Federal Deposit Insurance Corporation
550 17th Street, NW
Washington, DC 20429

The Honorable Tom Curry
Comptroller
Office of the Comptroller of the Currency
250 E Street, SW
Washington, DC 20219

Dear Chairman Bernanke, Comptroller Curry, and Acting Chairman Gruenberg:

I appreciate the opportunity to comment on your proposals to implement the new regulatory capital reforms put forward by Basel III. In light of the recent financial crisis, it is more important than ever that the regulatory infrastructure is proper and appropriate for the marketplace, and I appreciate your efforts to ensure your proposals meet these standards.

As you continue to work through the regulatory process, I urge you to consider the impact of the new regulations, not just on large, global institutions, but on smaller institutions and community banks as well. There is little doubt that smaller institutions often bear the brunt of of new, one-size-fits-all regulations, as they often do not have the the resources necessary to easily absorb an increase in their regulatory burden. This phenomena can be mitigated by ensuring that regulations are simple, clear, and unambiguous, and so I encourage you to only pursue regulations that meet these criteria.

Flexibility is also important for smaller institutions. Small, rural institutions like those throughout Iowa often take on many different forms and structures but are on the whole very safe and sound. For this reason, I urge you to allow for flexibility with regard to risk-weighting when moving forward with the rules for risk-weighted assets.

One of the worst things we can do for the safety and soundness of our financial system is undermine the ability of small and medium-sized financial institutions to continue doing the important work they do for communities across this country. As you continue to review these proposed rules, I respectfully request that you take these considerations into account and ensure that any regulations you put forward are appropriate for financial institutions of all sizes.

Sincerely,



Steve King
Member of Congress