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October 29, 2012

The Honorable Ben S. Bernanke  
Chairman  
Board of Governors of the Federal Reserve Bank

The Honorable Thomas J. Curry  
Comptroller  
Office of the Comptroller of the Currency

The Honorable Martin Gruenberg  
Acting Chairman  
Federal Deposit Insurance Corporation

Re: Regulatory Capital Rules RIN 3064-AD95; RIN 3064-AD96; RIN 3064-AD97

Dear Chairman Bernanke, Comptroller Curry, Acting Chairman Gruenberg,

I would like to add my voice to those co-writing on your proposals with regard to Capital Rules.

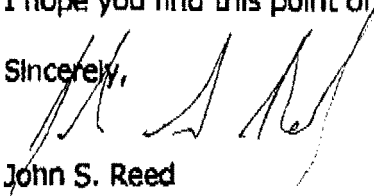
I believe that it is important that Capital requirements, leverage ratios and counterparty limits be simple and straightforward and to reflect our best understanding of what is best for the economy and society more broadly. Having been in the industry for a long time, I can assure you that once rules are set, are clear and are not susceptible to more lobbying, the industry will adjust and find many ways to earn a decent return for their stockholders and serve their customers. We should not worry about the industry but rather the broader economy.

I recommend that capital be thought of as equity, that all assets, other than those issued by entities that can print the currency in which the asset is denominated be seen as a risk asset, and that no attempt be made to use history to adjust for risk differences between asset classes, we have tried this with poor results. A leverage ratio of eight percent would seem to be reasonable. It would not unduly hurt

customers who would end up paying for this in the cost of credit, but who would also share in the broader benefits of a more stable financial system.

I hope you find this point of view to be useful.

Sincerely,

  
John S. Reed