



December 18, 2017

Submitted Electronically

Mr. Robert Feldman
Executive Secretary
Attention: Comments/Legal ESS
Federal Deposit Insurance Corporation
550 17th Street NW.
Washington, DC 20429

RE: RIN 3064-AE59: The Proposed Simplifications to the Capital Rule Pursuant to the Economic Growth and Regulatory Paperwork Reduction Act of 1996

Dear Mr. Feldman:

Great Southern Bank (a \$4.5 billion community bank located in Springfield, Missouri) strongly supports the Federal Financial Institutions Examination Council's (FFIEC) continued commitment to identify opportunities to reduce the burdens and complexities associated with new and existing regulatory requirements on community banks, which will lead to more consistent application and enforcement for all banks. We appreciate the opportunity to comment on the FFIEC's proposal (the Proposal) to simplify compliance with certain aspects of the Capital Rule, pursuant to the Economic Growth and Regulatory Paperwork Reduction Act of 1996.

We concur that the current Capital Rule should to be reviewed to provide for clarity in defining HVCRE; however, we believe that the proposed changes to the Capital Rule promote oversimplification and discourage prudent credit discipline. Since the adoption of the Capital Rule in 2013, we have seen an improvement in underwriting standards and a leveling of the competitive playing field in the credit markets. Financial institutions are consistently requiring meaningful owner equity into bank-financed projects and borrowers now expect a requirement to provide equity into projects. In our view, the current Capital Rule has been instrumental in bringing about this change in underwriting discipline and thus, improving the overall credit quality of the financial industry. By implementing the changes outlined in the Proposal, specifically introducing the HVDAC category with its broad definition and eliminating the contributed capital exemption, an unintended consequence may be that financial institutions will once again return to not requiring sufficient owner equity to be injected into projects. We strongly believe that borrowers tend to perform better, are more engaged and are more responsive when they have their own equity in a project. Even though the Proposal, in most cases, would result in more capital being held at a bank, we think that this elevated level of bank capital would not offset the



increased credit risk introduced by lowering credit standards. Additionally, strong conservative financial institutions that apply prudent underwriting standards would be put at a competitive disadvantage, creating a negative effect for the consumer, financial industry and the regulatory agencies.

We reiterate our strong support and appreciation of the FFIEC's initiative to simplify and reduce the regulatory burden on community banks. Thank you for this opportunity to comment on the Proposal. If you have any questions about these comments, please contact the undersigned at (417) 895-4701 or email:btiede@greatsouthernbank.com.

Sincerely,

A large black rectangular redaction box covering the signature area.

Bryan S. Tiede
Director of Risk Management