



Columbia Bank (CB)

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**

For related information, [Open Docket Folder](#) 

Comment Period Closed
Dec 26 2017, at 11:59 PM ET

ID: OCC-2017-0018-0045

Tracking Number: 1k1-90h7-5e68

Document Information

Date Posted:

Dec 21, 2017

RIN:

1557-AE10

[Show More Details](#) 

Submitter Information

Submitter Name:

Scott Bossom

City:

Portland

Country:

United States

State or Province:

OR

Organization Name:

Columbia Bank (CB)

Comment

I am the head of the SBA Lending Department at Columbia Bank. The HVCRE requirements under Basel III need to have an exemption for projects that are being financed under the 504 program. While these loans are done at a 90% LTV - this is a combined LTV between the Bank or Third Party Lender and the CDC. The funding to 90% by the Bank is only for a short time period that is required to allow for sale of the debentures that fund the SBA/CDC portion of the project. Normally, within about 60 days the Bank is paid down from the debenture funding and will be at a 50% or less LTV. Since the Bank is never permanently at that higher 90% LTV - it is unreasonable to require the Bank to still classify the R/E as HVCRE and reserve at a 150% level during this interim period. Columbia is a larger regional bank with assets exceeding \$10 billion and so while a bank our size can absorb this higher weighting with limited impact on the overall balance sheet - this requirement is far more impactful on our smaller community bank partners and is simply unnecessary. An exemption to not require HVCRE treatment on 504 projects is needed and warranted.