

February 8, 2012

Dear FDIC,

The Volcker Rule should be repealed, and replaced with one that allows the banks to invest their profits as they see fit. Have the banks set up a prop trading area that is totally separate from all all other bank departments. There is to be no communication from that desk to any other trading area (ie. market making, client related). Banks should be able to make trades, and hedge to make profits, so they can lend money. It can be done in a fashion to not hurt the bank, if they bet wrong. You raised reserve requirements on banks, make them have a prop trade reserve, to help shield them on losses, limit leverage. The prop trade fund are is totally separate from the bank.

Banks need to make profits so they can lend money. This rule will force banks to raise fees of all kinds to produce profits. The consumer loses we pay higher fees, and banks have less money to lend.

Only in a socialist country can the government say how to and where a private entity can invest.

Last I looked we were a Democratic country. You guys are crying, the banks are not lending, well they had raise reserves, and you took away prop trade profits, and now they have to hit us with higher fees, to make profits to lend.

Makes no sense to me.

Housing needed to correct. Sec. of Treasury Paulson said so. The fed forced banks to get people into housing, you guys helped create the mess. To keep the party going, the banks had to sell the loans to free up more cash to lend, mbs,cdo's,,,,you know the story.

You forced the banks to make less with no prop trade, and we pay higher fees, to increase profits, so they have money to lend.

Makes no sense to me.