



MEMORANDUM

TO: **Public File** – Regulatory Capital Rules: Regulatory Capital, Implementation of Basel III, Minimum Regulatory Capital Ratios, Capital Adequacy, Transition Provisions, and Prompt Corrective Action
12 CFR Parts 324, 325, and 362 RIN 3064–AD95; and
Regulatory Capital Rules: Standardized Approach for Risk- Weighted Assets; Market Discipline and Disclosure Requirements
12 CFR Part 324 RIN 3064–AD96

FROM: FDIC Staff

DATE: September 12, 2012

SUBJECT: Meeting with staff of the Community Development Bankers Association and representatives of that organization’s member banks

On September 12, 2012, Robert Mooney, George French and Donald Hamm of the FDIC met with staff of the Community Development Bankers Association and representatives of that organization’s member banks. Our guests expressed their concern with a variety of aspects of the Basel III and Standardized Approaches NPRs issued by the federal banking agencies. Concerns were expressed about the proposed risk weighting of residential mortgages and multifamily real estate, aspects of the definition of high-volatility commercial real estate, the proposed phase-out of Trust Preferred Securities from the definition of holding company tier 1 capital, the elimination of perpetual preferred stock from the proposed “common equity tier 1” measure, and how or whether CDCI capital instruments would be included in capital. More generally, concerns were expressed about the ability of community development and minority-owned institutions to attract capital and serve their local communities under the proposed rules