INDEPENDENT BANKERS
ASSOCIATION OF TEXAS

1700 RIO GRANDE STREET
SUITE 100
AUSTIN, TEXAS 78701
P: 512.474.6889
F: 512.322.9004
WWW.IBAT.ORG

September 25, 2017

Submitted via email – comments@FDIC.gov

Federal Deposit Insurance Corporation (FDIC)
RIN 3064-AE 63

Office of the Comptroller of the Currency (OCC)
12 CFR Part 3 / Docket ID OCC-2017-0012 / RIN 1557-AE 23

Federal Reserve System
12 CFR Part 217 / Docket No. R-1517 / RIN 7100-AE 83

Re: Regulatory Capital Rules: Retention of Certain Existing Transition Provisions for Banking Organizations That Are Not Subject to the Advanced Approaches Capital Rules
12 CFR Part 324

Ladies and Gentlemen:

The following comments are submitted on behalf of the Independent Bankers Association of Texas (“IBAT”), a trade association representing nearly 400 independent, community banks domiciled in Texas. On behalf of our members we would like to thank you for the opportunity to comment on the proposed rule to extend the existing transitional capital treatment for certain regulatory capital deductions and risk weights.

In general, independent Texas banks maintain a strong capital position with and without the Basel III provisions regarding the treatment of mortgage servicing assets, certain deferred tax assets, investments in the capital instruments of unconsolidated financial institutions, and minority interests.

The impact of the ever-increasing regulatory burden coupled with increasing capital requirements have had a significant detrimental impact on the ability of our members to remain independent banks focused on their communities. The retention of the transition provisions provides community banks with much needed relief from onerous capital requirements under Basel III scheduled to take effect on January 1, 2018.

This should be a first step by the prudential regulators to simplify the current capital framework for independent community banks that are vital to the growth of both national and local economies.

Thank you for the opportunity to comment on behalf of independent Texas bankers.

Respectfully,

Christopher L. Williston, CAE
President and CEO