From: Wiggins, James [mailto:jwiggins@broad.msu.edu]
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To: Comments
Subject: RIN 3064- AE91

Thank you for the opportunity to comment on the Community Bank Leverage Ratio Framework.

I feel that defining a brand new capital ratio, and allowing QCBOs to switch back and forth between different PCA regimes, is unnecessarily complex.

For simplicity, I would suggest that CBLR Tangible Equity be defined exactly the same as Tier 1 capital under the existing framework.

For simplicity, I would suggest that Average Total Consolidated Assets (the CBLR Denominator) be defined exactly the same as Average Adjusted Assets under the existing framework. This appears to be the plan already.

Here is my friendly amendment:

Under the above definitions, then Qualifying Community Banking Organizations would just calculate their Tier 1 leverage ratio as always. If the ratio exceeds the proposed 9% CBLR threshold, the bank is well capitalized, and need not calculate the three risk-based ratios, nor the capital conservation buffer. Alternatively, If the Tier 1 leverage ratio does not exceed the proposed 9% threshold, the bank must calculate the three risk-based ratios and follow the capital conservation buffer payout restrictions, using the existing framework. They might still be well-capitalized and free from PCA, or not.

Thank you.

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