

## Cabinet News and Views

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### Industry Trades Really Don't Like the Basel III Endgame Proposal



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As we covered [previously](#), on July 27, 2023, the U.S. prudential bank regulators (the [Federal Deposit Insurance Corporation](#) (“FDIC”), the [Federal Reserve Board](#) (“FRB”) and the [Office of the Comptroller of the Currency](#) (“OCC”) (together, the “Agencies”) proposed new capital requirements for large banking organizations. As we noted, the proposed changes in the calculations of risk weights in the denominator of the calculation would likely result in increased capital requirements for most large banking organizations.

Although comments aren't due until November 30, industry trade associations have already come out swinging against the proposal. Many may have missed the first volley when the American Bankers Association (“ABA”) and the Bank Policy Institute (“BPI”) submitted a letter to the Agencies on [August 22](#) calling on suspension of work on the update to revised rules to implement the Community Reinvestment Act, as the proposed capital rules would have an unknown impact.

This week BPI upped the proverbial ante when it unveiled a much larger [advertising campaign](#) in opposition to the proposal. The campaign includes its own dedicated website: [www.stopbaselendgame.com](http://www.stopbaselendgame.com). BPI's campaign notes the increased capital costs and estimates that it will increase capital requirements for banks by approximately 20%, and asserts that those increased costs will be felt by American consumers and businesses.

We will see on November 30 if the campaign creates a grass-roots effort to go along with the comment letters the trades will certainly be filing, or if the Agencies modify their proposal. Stay tuned.

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