
Joint Release

**Federal Reserve Board of Governors
Federal Deposit Insurance Corporation
Office of the Comptroller of the Currency**

For immediate release

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Agencies Propose Community Bank Leverage Ratio for Qualifying Community Banking Organizations

Three federal banking agencies on Wednesday invited public comment on a proposal that would simplify regulatory capital requirements for qualifying community banking organizations, as required by the Economic Growth, Regulatory Relief, and Consumer Protection Act. The proposal would provide regulatory burden relief to qualifying community banking organizations by giving them an option to calculate a simple leverage ratio, rather than multiple measures of capital adequacy.

Under the proposal, a community banking organization would be eligible to elect the community bank leverage ratio framework if it has less than \$10 billion in total consolidated assets, limited amounts of certain assets and off-balance sheet exposures, and a community bank leverage ratio greater than 9 percent. A qualifying community banking organization that has chosen the proposed framework would not be required to calculate the existing risk-based and leverage capital requirements. Such a community banking organization would be considered to have met the capital ratio requirements to be well capitalized for the agencies' prompt corrective action rules provided it has a community bank leverage ratio greater than 9 percent.

The proposal was jointly issued by the Federal Reserve Board, the Federal Deposit Insurance Corporation, and the Office of the Comptroller of the Currency. Comments will be accepted for 60 days after publication in the Federal Register.

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Attachment:

- [Notice of proposed rulemaking on Capital Simplification for Qualifying Community Banking Organizations](#)

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