

Banking Law

The Changing Capital Landscape for Community Banks

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The federal bank regulatory agencies have jointly issued notices of proposed rulemaking which would introduce sweeping new capital regulations affecting all community banks. Banks and their directors would be well advised to evaluate the proposed changes and calculate pro forma risk-based capital ratios “as if in effect today” to determine how these enhanced capital ratios will impact their institution and to begin considering strategies to respond to the challenges ahead. Comments on the proposed rules are requested by September 7, 2012.

For a summary of the practical implications of the changing landscape, [click here](#).

Phase-In of New Capital Rules

The attached chart is intended to provide a summary of selected aspects of the proposed capital rules and which would be of particular relevance to our community bank clients. Readers should refer to specific provisions in the proposed rules for specific details and consult your advisors.

For a summary of selected aspects of the proposed capital rules, [click here](#).

New Risk-Weight Rules

The chart highlights the changes that are expected to occur in the risk-weighting calculations for assets of the kind that community banks are likely to hold.

For a summary of proposed standardized approach to risk-weighted assets, [click here](#).

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