Today’s consideration of the proposed rule on the Tier1/Tier2 Regulatory Capital Framework is the culmination of a long and deliberate process. The long process was started by Chairwoman Nancy Pellet. In 2007 FCA issued an advanced notice of proposed rulemaking encouraging comments on updating risk weighting provisions. Under Chairs Lee Strom and Jill Long Thompson the agency issued an advance notice of proposed rulemaking on implementing regulatory capital standards modeled on Basel III.

There have been years of work that have gone in writing this rule and I appreciate that effort. I especially appreciate Chairman Spearman’s leadership and perseverance to get the Agency to this important point with the vote today. This rule embodies his focus and commitment to internal controls. His willingness to reopen the comment period so that the new Board Members could have direct communication with the system on the proposal is a strong reason I am able to support the adoption of this rule.

From my first briefing almost a year ago it was obvious that the talented FCA staff writing this rule were deliberate and thoughtful. They are always willing to brief me and answer any questions and consider any suggestions. I appreciate them being responsive to my concerns that this rule not favor one business model over another and that small institutions be treated fairly.

This rule was very difficult to write. Implementing will not be easy. Change causes concern but we know that as of September 2015 every system institution will be able to comply with the requirements of the proposed rule. I encourage the system to let us know about implementation challenges. Communication only helps promote the safety and soundness of the system.