



Congress of the United States
House of Representatives

October 22, 2012

The Honorable Ben Bernanke
Chairman, The Federal Reserve System
20th Street and Constitution Avenue, N.W.
Washington, DC 20429

The Honorable Martin J. Gruenberg
Acting Chairman
Federal Deposit Insurance Corporation
550 17th Street, N.W.
Washington, DC 20429

The Honorable Tom Curry
Comptroller
Office of the Comptroller of the Currency
250 E. Street, S.W.
Washington, DC 20219

Dear Chairman Bernanke, Acting Chairman Gruenberg, and Comptroller Curry

We write to you today on behalf of the 71 banks headquartered in South Carolina and the significant impact that the proposed Basel III capital standards will have on these fine institutions and the communities they serve.

South Carolina's banks, like many others across the states, play an integral part in financing economic development and growth. Their lending activities help reward the risks that hard-working Americans take every day to improve their lives. There is no guarantee the risks borne by banks and their customers will be successful, yet it is essential to a well-functioning economy that these risks are taken.

The recent economic collapse has rightfully caused a review of the rules, regulations, and policies put forth by government and businesses at all levels. We appreciate the work you and your international counterparts have put forth in this regard. Optimally establishing capital reserve requirements spurs future economic growth within a safe and sound financial sector. This is a goal on which we all can agree.

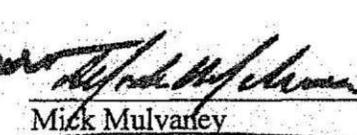
Many South Carolina communities and financial institutions are concerned the proposed Basel III rules may stretch beyond an optimal balance. They fear the unintended consequence of these well-intentioned rules could be less risk-taking and more risk

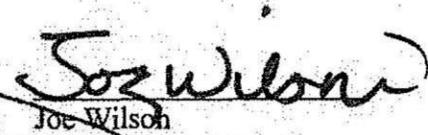
concentration through bank consolidations. For example, increased capital requirements impose new costs that will be imposed on customers and investors. We are concerned these new costs tied to risk-taking could make it tougher for families and business owners struggling to earn income through the risks they take. It's also unclear to what extent increased capital requirements mitigate future systemic risk. Many banks held more than enough capital to be considered well capitalized by regulatory standards prior to the recent economic collapse.

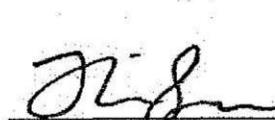
We all want a growing economy and a strong banking industry. Reasonable minds disagree on the best way to achieve this goal. We strongly encourage you to focus on working with all interested stakeholders on developing revised capital standards that restore the balance to a productive and efficient economy that gives everyone a fair chance to succeed.

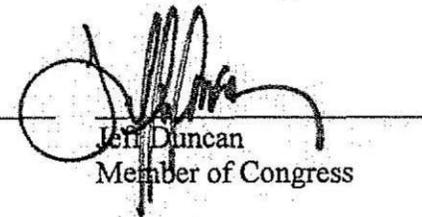
Sincerely,

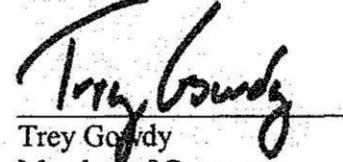

James E. Clyburn
Member of Congress


Mick Mulvaney
Member of Congress


Joe Wilson
Member of Congress


Tim Scott
Member of Congress


Jeff Duncan
Member of Congress


Trey Gowdy
Member of Congress