September 20, 2013

Secretariat of the Basel Committee on Banking Supervision
Bank for International Settlements
CH-4002 Basel
Switzerland
baselcommittee@bis.org

Re: Comments on the Consultative Document, *Revised Basel III leverage ratio framework and disclosure requirements*

Dear Sirs and Madams:

Bank of America Corporation ("BAC") appreciates the opportunity to comment on the Basel Committee on Banking Supervision's ("BCBS" or "the Committee") Consultative Document, *Revised Basel III leverage ratio framework and disclosure requirements*, issued in June 2013 ("Proposed Framework"). BAC supports BCBS efforts to provide a supplementary leverage ratio to "reinforce the risk-based capital requirements…with a 'backstop' measure".[1] We strongly believe that such a non-risk based measure should act only as a backstop against excessive leverage that could pose systemic risk. BAC is concerned the Proposed Framework establishes leverage ratio requirements that are more onerous than risk-based capital requirements. Superseding the risk-based capital framework with a non-risk based framework is likely to result in unintended negative consequences which could adversely impact economic growth and job creation, lead to a concentration of risk in the financial sector, and reduce flexibility in sovereign monetary policy.

Basel I general risk-based capital measures were simplistic and not risk-based, and no uniform international measure existed to limit on- and off-balance sheet leverage. Basel III was designed to capture the relative riskiness of assets through more advanced and granular risk-based capital measures, while also introducing a straightforward leverage ratio calibrated to provide an effective backstop against excessive leverage that could pose systemic risk. The Proposed Framework effectively recalibrates the Basel III minimum leverage requirement above the Basel III minimum risk-based capital requirements (including the capital conservation and GSIFI buffers) for most asset categories, based on the advanced-internal ratings based approaches. The recalibration causes the leverage ratio to become the binding constraint for many exposures and creates artificial, non-risk based requirements which could lead to inefficient capital allocation throughout an economy and concentrated risk within banking sectors. This non-risk based framework is also inconsistent with prudent risk management practices.

BAC worked with peers in the international banking industry to identify technical concerns and key contradictions within the prudential regulatory framework. Greater detail with respect to these issues may be found in the comment letters submitted separately by the Joint Associations[2] and The Clearing House Association L.L.C. BAC strongly supports the issues raised and observations provided in both comment letters. We encourage the Committee to carefully consider those issues and observations to better address macro-prudential policy objectives and provide a more accurate reflection of actual economic exposure in the Proposed Framework.

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[1] Proposed Framework at ¶2.

[2] Comment letter jointly submitted to the BCBS in response to the Proposed Framework by the Global Financial Markets Association, American Bankers Association, Financial Services Roundtable, Institute of International Bankers, Institute of International Finance and International Swaps and Derivatives Association (collectively, the "Joint Associations").

Thank you for considering the concerns raised in this letter. If you have any questions or would like to discuss our concerns in greater detail, please contact Daniel J. Seguine at +1 980 683 8834 or daniel.seguine@bankofamerica.com.

Sincerely,

Geoffrey S. Greener
Enterprise Capital Management Executive
Bank of America Corporation