

## MEMORANDUM

**To:** Public File  
**From:** Mr. Van Der Weide  
**Date:** December 4, 2003  
**Subject:** Basel II ANPR

On December 3, 2003, Vice Chairman Ferguson met with board members of the American Bankers Association to discuss a variety of topics. **ABA** board members asked the Vice Chairman about the bifurcated approach to regulatory capital set forth in the Basel II ANPR and raised concerns about the competitive impact that the bifurcated approach may have on small business lending and small banking organizations. The Vice Chairman acknowledged these concerns and noted that Federal Reserve staff is currently conducting research to assess the competitive impact of the ANPR.