

DEPARTMENT OF THE TREASURY

Office of the Comptroller of the Currency

12 CFR Chapter I

[Docket ID OCC-2023-0016]

FEDERAL RESERVE SYSTEM

12 CFR Chapter II

[Docket No. OP-1828]

FEDERAL DEPOSIT INSURANCE CORPORATION

12 CFR Chapter III

RIN 3064-ZA39

**Regulatory Publication and Review Under the Economic Growth and Regulatory
Paperwork Reduction Act of 1996**

AGENCY: Office of the Comptroller of the Currency (OCC), Treasury; Board of Governors of the Federal Reserve System (Board); Federal Deposit Insurance Corporation (FDIC).

ACTION: Regulatory review; request for comments.

SUMMARY: Pursuant to the Economic Growth and Regulatory Paperwork Reduction Act of 1996 (EGRPRA), the OCC, Board, and FDIC (collectively, the agencies) are reviewing agency regulations to identify outdated or otherwise unnecessary regulatory requirements on insured depository institutions and their holding companies. Since February 2024, the agencies published three *Federal Register* documents requesting comment on multiple categories of regulations. This fourth *Federal Register* document requests comment on the final three categories of regulations: Banking Operations, Capital, and the Community Reinvestment Act, and agency rules issued in final form as of **[INSERT DATE OF PUBLICATION IN THE *FEDERAL REGISTER*]**, including those covered by the three prior documents.

DATES: Written comments must be received no later than **[INSERT DATE 90 DAYS AFTER DATE OF PUBLICATION IN THE *FEDERAL REGISTER*]**.

ADDRESSES: Comments should be directed to:

OCC: Commenters are encouraged to submit comments through the Federal eRulemaking Portal. Please use the title “Regulatory Publication and Review Under the Economic Growth and Regulatory Paperwork Reduction Act of 1996” to facilitate the organization and distribution of the comments. You may submit comments by any of the following methods:

- *Federal eRulemaking Portal – Regulations.gov:*

Go to <https://regulations.gov/>. Enter “Docket ID OCC-2023-0016” in the Search Box and click “Search.” Public comments can be submitted via the “Comment” box below the displayed document information or by clicking on the document title and then clicking the “Comment” box on the top-left side of the screen. For help with submitting effective comments, please click on “Commenter’s Checklist.” For assistance with the *Regulations.gov* site, please call 1-866-498-2945 (toll free) Monday-Friday, 9 a.m.-5 p.m. ET, or e-mail regulationshelpdesk@gsa.gov.

- *Mail:* Chief Counsel’s Office, Attention: Comment Processing, Office of the Comptroller of the Currency, 400 7th Street, SW, Suite 3E-218, Washington, DC 20219.
- *Hand Delivery/Courier:* 400 7th Street, SW, Suite 3E-218, Washington, DC 20219.

Instructions: You must include “OCC” as the agency name and “Docket ID OCC-2023-0016” in your comment. In general, the OCC will enter all comments received into the docket and publish the comments on the *Regulations.gov* website without change, including any business or personal information provided such as name and address information, e-mail addresses, or phone numbers. Comments received, including attachments and other supporting materials, are part of the public record and subject to public disclosure. Do not include any

information in your comment or supporting materials that you consider confidential or inappropriate for public disclosure.

You may review comments and other related materials that pertain to this action by the following method:

- *Viewing Comments Electronically – Regulations.gov:*

Go to <https://regulations.gov/>. Enter “Docket ID OCC-2023-0016” in the Search Box and click “Search.” Click on the “Dockets” tab and then the document’s title. After clicking the document’s title, click the “Browse All Comments” tab. Comments can be viewed and filtered by clicking on the “Sort By” drop-down on the right side of the screen or the “Refine Comments Results” options on the left side of the screen. Supporting materials can be viewed by clicking on the “Browse Documents” tab. Click on the “Sort By” drop-down on the right side of the screen or the “Refine Results” options on the left side of the screen checking the “Supporting & Related Material” checkbox. For assistance with the *Regulations.gov* site, please call 1-866-498-2945 (toll free) Monday-Friday, 9 a.m.-5 p.m. ET, or e-mail regulationshelpdesk@gsa.gov.

The docket may be viewed after the close of the comment period in the same manner as during the comment period.

Board: You may submit comments, identified by Docket No. OP-1828 by any of the following methods:

- *Agency Website:* <https://www.federalreserve.gov>. Follow the instructions for submitting comments at <https://www.federalreserve.gov/generalinfo/foia/ProposedRegs.cfm>.
- *Federal eRulemaking Portal:* <https://www.regulations.gov>. Follow the instructions for submitting comments.
- *Email:* regs.comments@federalreserve.gov. Include the docket number in the subject line of the message.

- *Fax:* 202-452-3819 or 202-452-3102.
- *Mail:* Ann E. Misback, Secretary, Board of Governors of the Federal Reserve System, 20th Street and Constitution Avenue NW, Washington, DC 20551.

Public Inspection: In general, all public comments will be made available on the Board's web site at www.federalreserve.gov/generalinfo/foia/ProposedRegs.cfm as submitted, and will not be modified to remove confidential, contact or any identifiable information. Public comments may also be viewed electronically or in paper in Room M-4365A, 2001 C Street NW, Washington, DC 20551, between 9 a.m. and 5 p.m. during Federal business weekdays. For security reasons, the Board requires that visitors make an appointment to inspect comments by calling (202) 452-3684. Upon arrival, visitors will be required to present valid government-issued photo identification and to submit to security screening in order to inspect and photocopy comments. For users of TTY-TRS, please call 711 from any telephone, anywhere in the United States.

FDIC: The FDIC encourages interested parties to submit written comments. Please include your name, affiliation, address, email address, and telephone number(s) in your comment. You may submit comments to the FDIC, identified by "EGRPRA" in the subject line of your message by any of the following methods:

- *Agency Web Site:* <https://www.fdic.gov/federal-register-publications>. Follow instructions for submitting comments on the FDIC's website.
- *Mail:* Jennifer M. Jones, Deputy Executive Secretary, Attention: Comments/Legal OES (EGRPRA), Federal Deposit Insurance Corporation, 550 17th Street, NW, Washington, DC 20429.
- *Hand Delivery/Courier:* Comments may be hand-delivered to the guard station at the rear of the 550 17th Street, NW, building (located on F Street NW) on business days between 7 a.m. and 5 p.m. ET.
- *E-mail:* comments@FDIC.gov. Include "EGRPRA" in the subject line of the message.

Public Inspection: Comments received, including any personal information provided, may be posted without change to <https://www.fdic.gov/federal-register-publications>. Commenters should submit only information that the commenter wishes to make available publicly. The FDIC may review, redact, or refrain from posting all or any portion of any comment that it may deem to be inappropriate for publication, such as irrelevant or obscene material. The FDIC may post only a single representative example of identical or substantially identical comments, and in such cases will generally identify the number of identical or substantially identical comments represented by the posted example. All comments that have been redacted, as well as those that have not been posted, that contain comments on the merits of this document will be retained in the public comment file and will be considered as required under all applicable laws. All comments may be accessible under the Freedom of Information Act.

FOR FURTHER INFORMATION CONTACT:

OCC: Allison Hester-Haddad, Special Counsel, Daniel Amodio, Counsel, or John Cooper, Counsel, Chief Counsel's Office (202) 649-5490, Office of the Comptroller of the Currency, 400 7th Street SW, Washington DC 20219. If you are deaf, hard of hearing, or have a speech disability, please dial 7-1-1 to access telecommunications relay services.

Board: Katie Ballintine, Assistant Director, (202) 452-2555, and Colton Hamming, Financial Institution Policy Analyst III, (202) 452-3932, Division of Supervision and Regulation; Mandie Aubrey, Senior Counsel, (202) 452-2595, Division of Consumer and Community Affairs; Jay Schwarz, Deputy Associate General Counsel, (202) 452-2970, David Cohen, Counsel, (202) 452-5259, and Vivien Lee, Attorney, (202)-452-2029, Legal Division, Board of Governors of the Federal Reserve System, 20th Street and Constitution Avenue NW, Washington, DC 20551. For users of TTY-TRS, please call 711 from any telephone, anywhere in the United States.

FDIC: Ryan C. Senegal, Chief, Policy & Program Development Section, (980) 249-3863, Division of Risk Management Supervision; or William Piervincenzi, Supervisory Counsel, (202) 898-6957, Legal Division.

SUPPLEMENTARY INFORMATION:

I. Introduction

Section 2222 of EGRPRA¹ requires that not less frequently than once every 10 years, the Federal Financial Institutions Examination Council (FFIEC)² and the agencies³ conduct a review of their regulations to identify outdated or otherwise unnecessary regulatory requirements imposed on insured depository institutions. In conducting this review, the FFIEC or the agencies will (a) categorize their regulations by type and (b) at regular intervals, provide notice and solicit public comment on categories of regulations, requesting commenters to identify areas of regulations that are outdated, unnecessary, or unduly burdensome.⁴

EGRPRA also requires the FFIEC or the agencies to publish in the *Federal Register* a summary of the comments received, identifying significant issues raised and commenting on

¹ 12 U.S.C. 3311.

² The FFIEC is an interagency body empowered to prescribe uniform principles, standards, and report forms for the Federal examination of financial institutions and to make recommendations to promote uniformity in the supervision of financial institutions. The FFIEC does not issue regulations that impose burden on financial institutions and, therefore, we have not separately captioned the FFIEC in this document.

³ The FFIEC is comprised of the OCC, Board, FDIC, National Credit Union Administration (NCUA), Consumer Financial Protection Bureau (CFPB), and State Liaison Committee. Of these, only the OCC, Board, and FDIC are statutorily required to undertake the EGRPRA review. The NCUA elected to participate in the first and second EGRPRA reviews, and the NCUA Board again has elected to participate in this review process.

Consistent with its approach during the first and second EGRPRA reviews, NCUA will separately issue documents and requests for comment on its rules. The CFPB is required to review its significant rules and publish a report of its review no later than five years after they take effect. *See* 12 U.S.C. 5512(d). This process is separate from the EGRPRA process.

⁴ Insured depository institutions are also subject to regulations that are not reviewed under the EGRPRA process because they were not prescribed by the agencies. Examples include rules for which rulemaking authority was transferred to the CFPB and anti-money laundering regulations

those issues. It also directs the agencies to eliminate unnecessary regulations, as appropriate. Finally, the statute requires the FFIEC to submit a report to Congress that summarizes any significant issues raised in the public comments and the relative merits of those issues. The report must include an analysis of whether the agencies are able to address the regulatory burdens associated with such issues or whether those burdens must be addressed by legislative action.

II. The EGRPRA Review's Targeted Focus

The EGRPRA regulatory review provides an opportunity for the public and the agencies to evaluate groups of related regulations and to identify opportunities for burden reduction.⁵ For example, the EGRPRA review may facilitate the identification of statutes and regulations that share similar goals or complementary methods where one or more agencies could eliminate the overlapping regulatory requirements. Alternatively, commenters may identify regulations or statutes that impose requirements that are no longer consistent with current business practices and may warrant revision or elimination.

The EGRPRA review also provides the agencies and the public with an opportunity to consider how to reduce the impact of regulations on community banks or their holding companies. The agencies are aware of the role that these institutions play in providing consumers and businesses across the nation with essential financial services and access to credit. The agencies are especially concerned about the impact of requirements for these smaller institutions. The agencies understand that when a new regulation is issued or a current regulation is amended, smaller institutions may have to devote a significant amount of their resources to determine if and how the regulation will affect them. Through the public comment process, the EGRPRA

issued by the Department of the Treasury's Financial Crimes Enforcement Network, among others. If, during the EGRPRA process, the agencies receive a comment about a regulation that is not subject to the EGRPRA review, we will forward that comment to the appropriate agency.

⁵ See *supra* note 1.

review can help the agencies identify and target regulatory changes to reduce impacts for those smaller institutions.

Burden reduction must be compatible with consumer protection and the safety and soundness of insured depository institutions, their affiliates, and the financial system as a whole. Burden reduction also must be consistent with the agencies' statutory mandates, many of which require the issuance of regulations. EGRPRA recognizes that effective burden reduction may require statutory changes. Accordingly, as part of this review, the agencies specifically ask the public to comment on the relationship among burden reduction, regulatory requirements, policy objectives, and statutory mandates. The agencies also seek quantitative data about the impact of rules, where available.

The agencies note that they must consider regulatory burden each time an agency proposes, adopts, or amends a rule. For example, under the Paperwork Reduction Act of 1995⁶ and the Regulatory Flexibility Act,⁷ the agencies assess each rulemaking with respect to the burdens the rule might impose. The agencies also invite the public to comment on proposed rules as required by the Administrative Procedure Act.⁸

III. The EGRPRA Review Process

Taken together for purposes of the EGRPRA review process, the agencies' regulations covering insured depository institutions encompass more than 100 subjects.⁹ Consistent with the EGRPRA statute and past practice, the agencies have grouped these regulations into the following 12 categories listed in alphabetical order: Applications and Reporting; Banking

⁶ 44 U.S.C. 3501-3521.

⁷ 5 U.S.C. 610.

⁸ 5 U.S.C. 551-559.

⁹ Consistent with EGRPRA's focus on reducing burden on insured depository institutions, the agencies have not included their internal, organizational, or operational regulations in this review. These regulations impose minimal, if any, burden on insured depository institutions.

Operations; Capital; Community Reinvestment Act; Consumer Protection;¹⁰ Directors, Officers and Employees; International Operations; Money Laundering; Powers and Activities; Rules of Procedure; Safety and Soundness; and Securities. These categories were used during the prior EGRPRA reviews. The agencies determined the categories by sorting the regulations by type and sought to have no category be too large or broad. These categories remain useful for the review, and the agencies have not modified the categories for purposes of this review.

To carry out the EGRPRA review, the agencies have now published four *Federal Register* documents with each addressing three categories of rules. Each *Federal Register* document provided a 90-day comment period. On February 6, 2024, the agencies published the first document, addressing the following categories of regulations: Applications and Reporting; Powers and Activities; and International Operations.¹¹ On August 1, 2024, the agencies published a second document, addressing Consumer Protection, Directors, Officers and Employees, and Money Laundering.¹² On December 11, 2024, the agencies published a third document addressing Rules of Procedure; Safety and Soundness; and Securities.¹³ Today, the agencies are publishing the fourth document addressing the categories of Banking Operations, Capital, and the Community Reinvestment Act.¹⁴ The agencies invite the public to identify outdated, unnecessary, or unduly burdensome regulatory requirements for insured depository

¹⁰ The agencies are seeking comment only on consumer protection regulations for which they retain rulemaking authority for insured depository institutions and holding companies under the Dodd-Frank Wall Street Reform and Consumer Protection Act, Public Law 111-203, 124 Stat. 1376 (2010) (Dodd-Frank Act).

¹¹ 89 FR 8084 (Feb. 6, 2024).

¹² 89 FR 62679 (Aug. 1, 2024).

¹³ 89 FR 99751 (Dec. 11, 2024).

¹⁴ With respect to the Community Reinvestment Act regulations, the agencies invite public comment on the legacy CRA regulations. *See* discussion of the Interagency 2023 CRA rule, *infra*.

institutions and their holding companies in these three categories and any other rules finalized by the agencies as of **[INSERT DATE OF PUBLICATION IN THE *FEDERAL REGISTER*]**.

To assist the public's understanding of how the agencies have organized the EGRPRA review, the agencies have prepared a chart that lists the categories of regulations for which the agencies are requesting comments. The chart's left column divides the categories into specific subject-matter areas. The headings at the top of the chart identify the types of institutions affected by the regulations.

The agencies will review the comments received and determine whether further action is appropriate with respect to the regulations. The agencies will consult and coordinate with each other and expect generally to make this determination jointly, as appropriate, in the case of rules that have been issued on an interagency basis. Similarly, as appropriate, the agencies will coordinate to amend or repeal those rules on an interagency basis. For rules issued by a single agency, the issuing agency will review the comments received and independently determine whether amendments to or repeal of its rules are appropriate.

Further, as part of the EGRPRA review, the agencies are holding a series of public outreach meetings to provide an opportunity for bankers, consumer and community groups, and other interested parties to present their views directly to senior management and staff of the agencies. More information about the outreach meetings can be found on the agencies' EGRPRA Web site, <http://egrpra.ffiec.gov>.

IV. Request for Comments on Regulations in the Banking Operations, Capital, and Community Reinvestment Categories and on Any Rules Finalized by the Agencies As of **[INSERT DATE OF PUBLICATION IN THE *FEDERAL REGISTER*]**

The agencies are requesting comment on regulations in the Banking Operations, Capital, and the Community Reinvestment Act categories to identify outdated, unnecessary, or unduly burdensome requirements for insured depository institutions and their holding companies. The

agencies seek comment on all rules finalized by the agencies as of **[INSERT DATE OF PUBLICATION IN THE *FEDERAL REGISTER*]**. In addition to comments on regulations in these categories generally, the agencies are requesting comments on certain specific regulations described below within these categories issued since the last EGRPRA review. Where possible, the agencies ask commenters to cite to specific regulatory language or provisions. The agencies also welcome suggested alternative provisions or language in support of a comment, where appropriate. The agencies will consider comments submitted anonymously.

Specific Issues for Commenters to Consider.

The agencies specifically invite comment on the following issues as they pertain to the agencies' Banking Operations, Capital, and the Community Reinvestment Act rules addressed in this document. The agencies have asked these same questions for each document issued in connection with the EGRPRA process and invite comments on these questions for the categories in the previous EGRPRA documents.

- *Need and purpose of the regulations.*
 - Question 1: Have there been changes in the financial services industry, consumer behavior, or other circumstances that cause any regulations in these categories to be outdated, unnecessary, or unduly burdensome? If so, please identify the regulations, provide any available quantitative analyses or data, and indicate how the regulations should be amended.
 - Question 2: Do any of these regulations impose burdens not required by their underlying statutes? If so, please identify the regulations and indicate how they should be amended.

- *Overarching approaches/flexibilities.*
 - Question 3: With respect to the regulations in these categories, could an agency use a different regulatory approach to lessen the burden of the regulations and achieve statutory intent?
 - Question 4: Do any of these rules impose unnecessarily inflexible requirements? If so, please identify the regulations and indicate how they should be amended.
- *Cumulative effects.*
 - Question 5: Looking at the regulations in a category as a whole, are there any requirements that are redundant, inconsistent, or overlapping in such a way that taken together, impose an unnecessary burden that could potentially be addressed? If so, please identify those regulations, provide any available quantitative analyses or data, and indicate how the regulations should be amended.
 - Question 6: Have the agencies issued similar regulations in the same area that should be considered together as bodies of regulation, when assessing the cumulative effects on an insured depository institution or holding company? If so, please identify the regulations, why they should be considered together, and any available analyses or data for the agencies' consideration.
 - Question 7: Could any regulations or category of regulations be streamlined or simplified to reduce unduly burdensome or duplicative regulatory requirements?
- *Effect on competition.*
 - Question 8: Do any of the regulations in these categories create competitive disadvantages for one part of the financial services industry compared to another or for one type of insured depository institution compared to another? If so, please identify the regulations and indicate how they should be amended.

- *Reporting, recordkeeping, and disclosure requirements.*
 - Question 9: Do any of the regulations in these categories impose outdated, unnecessary, or unduly burdensome reporting, recordkeeping, or disclosure requirements on insured depository institutions or their holding companies?
 - Question 10: Could an insured depository institution or its holding company fulfill any of these requirements through new technologies (if they are not already permitted to do so) and experience a burden reduction? If so, please identify the regulations and indicate how they should be amended.
- *Unique characteristics of a type of institution.*
 - Question 11: Do any of the regulations in these categories impose requirements that are unwarranted by the unique characteristics of a particular type of insured depository institution or holding company? If so, please identify the regulations and indicate how they should be amended.
- *Clarity.*
 - Question 12: Are the regulations in these categories clear and easy to understand?
 - Question 13: Are there specific regulations for which clarification is needed? If so, please identify the regulations and indicate how they should be amended.
- *Impact to community banks and other small, insured depository institutions.*
 - Question 14: Are there regulations in these categories that impose outdated, unnecessary, or unduly burdensome requirements on a substantial number of community banks, their holding companies, or other small, insured depository institutions or holding companies?
 - Question 15: Have the agencies issued regulations pursuant to a common statute that, as applied by the agencies, create redundancies or impose inconsistent requirements?

- Question 16: Should any of these regulations issued pursuant to a common statute be amended or repealed to minimize this impact? If so, please identify the regulations and indicate how they should be amended.
- Question 17: Have the effects of any regulations in these categories changed over time that now have a significant economic impact on a substantial number of small, insured depository institutions or holding companies? If so, please identify the regulations and indicate how they should be amended. The agencies seek information on (1) the continued need for the rule; (2) the complexity of the rule; (3) the extent to which the rule overlaps, duplicates or conflicts with other Federal rules, and, to the extent feasible, with State and local governmental rules; and (4) the degree to which technology, economic conditions, or other factors have changed in the area affected by the rule.
- *Scope of rules.*
 - Question 18: Is the scope of each rule in these categories consistent with the intent of the underlying statute(s)?
 - Questions 19: Could the agencies amend the scope of a rule to clarify its applicability or reduce the burden, while remaining faithful to statutory intent? If so, please identify the regulations and indicate how they should be amended.

Specific Interagency Regulations Issued Since the Last EGRPRA Review.

- *Simplifications to the Regulatory Capital Rule Pursuant to the Economic Growth and Regulatory Paperwork Reduction Act (EGRPRA) of 1996.* In July 2019, consistent with the goals of the EGRPRA, the agencies finalized rules that simplified certain aspects of the regulatory capital requirements for banking organizations with less than \$250 billion in total consolidated assets or \$10 billion in total consolidated foreign financial

exposure.¹⁵ Specifically, this rule (1) simplified the regulatory capital treatment for mortgage servicing assets, temporary difference deferred tax assets, and holdings of regulatory capital instruments issued by other financial institutions and (2) simplified the calculation for limitations on minority interest includable in regulatory capital. Initially, the simplified requirements were to become effective on April 1, 2020. However, in November 2019, the agencies issued a subsequent notice to allow banking organizations to begin using the simplified requirements on January 1, 2020.¹⁶ Banking organizations that chose not to adopt the simplifications on the earlier timetable were still permitted to wait until April 1, 2020, to implement the requirements.

- *Community Bank Leverage Ratio*. In November 2019, the agencies implemented section 201 of the Economic Growth, Regulatory Relief, and Consumer Protection Act (EGRRCPA)¹⁷ by revising their respective regulatory capital rules to provide a simplified measure of capital adequacy for qualifying community banking organizations.¹⁸ Under this rule, banking organizations with less than \$10 billion in total consolidated assets that meet the qualifying criteria, including maintaining leverage ratio greater than nine percent, may elect to use the community bank leverage ratio framework. These banking organizations will be considered to have met the capital requirements for the “well capitalized” category under the agencies’ prompt corrective action framework and will no longer be subject to the generally applicable risk-based capital rule.

¹⁵ 84 FR 35234 (July 22, 2019).

¹⁶ 84 FR 61804 (Nov. 13, 2019).

¹⁷ See Economic Growth, Regulatory Relief, and Consumer Protection Act, Pub. L. 115–174, 132 Stat. 1296 (2018).

¹⁸ 84 FR 61776 (Nov. 13, 2019), as corrected by 84 FR 70887 (Dec. 26, 2019), 85 FR 10968 (Feb. 26, 2020).

- *Regulatory Capital Rule: Implementation and Transition of the Current Expected Credit Losses Methodology for Allowances and Related Adjustments to the Regulatory Capital Rule and Conforming Amendments to Other Regulations.* In February 2019, the agencies adopted a final rule to address changes to credit loss accounting under U.S. generally accepted accounting principles, including banking organizations' implementation of the current expected credit losses methodology (CECL).¹⁹ The final rule provides banking organizations the option to phase in over a three-year period the day-one adverse effects on regulatory capital that may result from the adoption of the new accounting standard. In addition, the final rule revises the agencies' regulatory capital rule, stress testing rules, and regulatory disclosure requirements to reflect CECL, and makes conforming amendments to other regulations that reference credit loss allowances.
- *Applicability Thresholds for Regulatory Capital and Liquidity Requirements.* In November 2019, the agencies published a final rule to revise the framework for determining the applicability of regulatory capital and standardized liquidity requirements for large U.S. banking organizations, the U.S. intermediate holding companies (IHC) of certain foreign banking organizations, and certain of their depository institution subsidiaries.²⁰
- *Capital Requirements for High Volatility Commercial Real Estate (HVCRE) Exposures.* In December 2019, the agencies implemented section 214 of the EGRRCPA by revising the definition of *HVCRE* exposure, which had the effect of limiting the scope of the heightened risk weight applied to certain acquisition, development, and construction lending exposures.²¹

¹⁹ 84 FR 4222 (Feb. 14, 2019).

²⁰ 84 FR 59230 (Nov. 1, 2019).

²¹ 84 FR 68019 (Dec. 13, 2019).

- Standardized Approach for Counterparty Credit Risk (SA-CCR).* In January 2020, the agencies published a final rule to provide an updated framework for measuring the exposure amount of derivatives contracts for the purpose of measuring their regulatory capital requirements.²² The final rule replaced the current exposure methodology (CEM) with the standardized approach for counterparty credit risk for the largest and most complex banking organizations, while permitting smaller banks to use either CEM or SA-CCR. SA-CCR is a more risk-sensitive approach that better reflects industry practices including margining for derivative contracts. Initially, the rule provided that banking organizations would have the option of using the SA-CCR beginning on April 1, 2020, and the largest, most complex banking organizations would be required to use it on January 1, 2022. The agencies issued a subsequent notice in March 2020 providing that banks would be permitted to begin using SA-CCR for their first quarter 2020 Call Report filings.²³ For the largest and most complex banking organizations, mandatory use of SA-CCR would continue to be delayed until January 1, 2022.
- Exclusion from the Supplementary Leverage Ratio Calculation of Certain Central Bank Deposits for Banking Organizations Predominantly Engaged in Custody, Safekeeping, and Asset Servicing Activities.* In January 2020, the agencies implemented section 402 of the EGRRCPA by amending the supplementary leverage ratio, which is a measure of capital adequacy that applies to large banking organizations.²⁴ Section 402 provides that the supplementary leverage ratio must not take into account funds of a custodial bank that are deposited with certain central banks, provided that any amount that exceeds the value of deposits of the custodial bank that are linked to fiduciary or custodial and safekeeping

²² 85 FR 4362 (Jan. 24, 2020), as corrected by 85 FR 57956 (Sept. 2020).

²³ 85 FR 17721 (Mar. 31, 2020).

²⁴ 85 FR 4569 (Jan. 27, 2020).

accounts must be taken into account. Therefore, this rule, which became effective on April 1, 2020, provides that custodial banks are permitted to exclude from their total leverage exposure (the denominator of the supplementary leverage ratio) the lesser of (1) deposits at central banks and (2) client deposits linked to fiduciary or custodial and safekeeping accounts. Federal Reserve Board regulations generally define “custodial banking organization” to include a top-tier depository institution holding company domiciled in the United States that has assets under custody that are at least 30 times the amount of the depository institution holding company’s total assets.

- *Regulatory Capital Rule and Total Loss-Absorbing Capacity Rule: Eligible Retained Income.* In October 2020, the agencies adopted revisions to a definition of eligible retained income made under the interim final rule published in the *Federal Register* on March 20, 2020, for all depository institutions, bank holding companies, and savings and loan holding companies subject to the agencies’ capital rule.²⁵ The final rule revises the definition of eligible retained income to make more gradual any automatic limitations on capital distributions that could apply under the agencies’ capital rule. Separately, in this final rule, the Board also adopted as final the definition of eligible retained income made under the interim final rule published in the *Federal Register* on March 26, 2020, for purposes of the Board’s total loss-absorbing capacity (TLAC) rule. The final rule adopts these interim final rules with no changes.
- *Investments in Certain Unsecured Debt Instruments Issued by Global Systemically Important U.S. Bank Holding Companies, Certain Intermediate Holding Companies, and Global Systemically Important Foreign Banking Organizations.* In January 2021, the agencies published a final rule that applies to advanced approaches banking organizations

²⁵ 85 FR 63423 (Oct. 8, 2020), as corrected 86 FR 3761 (Jan. 15, 2021).

(generally, the largest, most interconnected banking organizations) with the aim of reducing both interconnectedness within the financial system and systemic risks.²⁶ The final rule requires advanced approaches banking organizations to deduct from their regulatory capital calculations certain investments in unsecured debt instruments issued by foreign or U.S. global systemically important banking organizations (GSIBs) for the purposes of meeting minimum total loss-absorbing capacity requirements and, where applicable, long-term debt requirements, or for investments in unsecured debt instruments issued by GSIBs that are *pari passu* or subordinated to such debt instruments. Under this rule, an advanced approaches banking organization may exclude from deduction investments in certain covered debt instruments up to five percent of its common equity tier 1 capital. Notably, use of this exclusion is tailored, depending on whether the advanced approaches banking organization is a U.S. GSIB. For U.S. GSIBs, the exclusion is available only for investments in covered debt instruments that are held in accordance with market making activities, as identified using criteria from regulations implementing section 13 of the Bank Holding Company Act (commonly known as the Volcker Rule).

- *Interagency 2023 CRA Rule.* In October 2023, the agencies jointly issued a final rule (Interagency 2023 CRA Rule) that amended their regulations implementing the Community Reinvestment Act of 1977 to update how CRA activities qualify for consideration, where CRA activities are considered, and how CRA activities are evaluated.²⁷ The Interagency 2023 CRA Rule included an April 1, 2024, effective date and transition provisions for most substantive provisions; however, the rule has been

²⁶ 86 FR 708 (Jan. 6, 2021).

²⁷ 89 FR 6574 (Feb. 1, 2024).

challenged in litigation and is currently enjoined.²⁸ As such, the agencies continue to assess banks' CRA performance under the 1995 version of the CRA rules (legacy CRA regulations).²⁹ On March 28, 2025, the agencies announced their intention to issue a proposal both to rescind the Interagency 2023 CRA Rule and reinstate the CRA framework that existed prior to the Interagency 2023 CRA Rule.³⁰ Therefore, the agencies invite public comment on the legacy CRA regulations.

- *Community Reinvestment Act (CRA) Supplemental Rule*. In March 2024, the agencies published an interim final rule and a final rule that revised the applicability date of certain provisions of the Interagency 2023 CRA Rule³¹ and made certain other technical amendments to the Interagency 2023 CRA Rule and related regulations.³²
- *Revisions to Remove Obsolete References in the CRA Regulations*. In December 2015, the agencies made technical edits to the CRA regulations to remove obsolete references

²⁸ See *Texas Bankers Association v. Office of the Comptroller of the Currency*, No. 2:24-CV-025-Z-BR (N.D. Tex. 2024); see also *Texas Bankers Association v. Board of Governors of the Federal Reserve System*, No. 24-10367 (5th Cir. 2024).

²⁹ The text of the legacy CRA regulations may be found: (i) in the 2022, 2023, or 2024 bound versions of title 12 of the Code of Federal Regulations; (ii) in the historical version of the Electronic Code of Federal Regulations (eCFR) as of March 29, 2024; or (iii) in appendix G of the Interagency 2023 CRA Rule as published in the eCFR on February 1, 2024.

³⁰ See Joint Press Release, *Agencies Announce Intent to Rescind 2023 Community Reinvestment Act Final Rule* (March 28, 2025), <https://www.federalreserve.gov/newsevents/pressreleases/bcreg20250328a.htm>; <https://oc.c.gov/news-issuances/news-releases/2025/nr-ia-2025-26.html>; <https://www.fdic.gov/news/press-releases/2025/agencies-announce-intent-rescind-2023-community-reinvestment-act-final>.

³¹ See Interagency 2023 CRA Rule discussion, *supra*.

³² 89 FR 22060 (March 29, 2024). The supplemental rule included technical amendments to the agencies' CRA sunshine regulations, codified at 12 CFR parts 35 (OCC), 207 (Regulation G) (Board), and 346 (FDIC). In addition, the supplemental rule included technical amendments to the OCC's public welfare investment regulation, codified at 12 CFR part 24, and the OCC's regulation concerning conversions from mutual to stock form, codified at 12 CFR part 192.

to the Office of Thrift Supervision (OTS) and update cross-references to regulations implementing certain Federal consumer financial laws.³³

- *CRA Conforming Amendments Related to Home Mortgage Disclosure Act (HMDA) Changes.* In November 2017, the agencies published a final rule that modified the definitions of “home mortgage loan” and “consumer loan,” related cross references, and the public file content requirements to conform to revisions made by the Consumer Financial Protection Bureau to Regulation C, which implements HMDA. The final rule also removed obsolete references to the Neighborhood Stabilization Program.³⁴

Specific OCC Regulations Issued Since the Last EGRPRA Review.

- *Assessment of Fees.* In July 2014, the OCC published a final rule that raised marginal assessments on national banks and Federal savings associations with more than \$40 billion in assets.³⁵ This increase reflected new supervisory and regulatory initiatives that required additional resources, especially for large bank supervision and regulation. Marginal assessment rates for national banks and Federal savings associations had not increased between 1995 and 2013, and changes in 2008 lowered some large entities’ marginal assessment rates. In August 2019, the OCC issued a separate assessments final rule in which it allowed banks that exit the jurisdiction of the OCC to receive a refund of certain prospectively paid assessments.³⁶
- *CRA Rescind and Replace Rule.* In December 2021, the OCC adopted a final CRA rule based largely on the agencies’ 1995 CRA rules.³⁷ This action rescinded and replaced the

³³ 80 FR 81162 (Dec. 29, 2015).

³⁴ 82 FR 55734 (Nov. 24, 2017).

³⁵ 79 FR 38769 (July 9, 2014).

³⁶ 84 FR 43475 (Aug. 21, 2019).

³⁷ 86 FR 71328 (Dec. 15, 2021).

CRA final rule published by the OCC in June 2020, which updated and revised the OCC's CRA rule and integrated the CRA regulations in parts 25 (national banks) and 195 (savings associations).³⁸

Specific Board Regulations Issued Since the Last EGRPRA Review.

- *Availability of Funds and Collection of Checks.* In June 2017 and September 2018, the Board amended Regulation CC, Availability of Funds and Collection of Checks, which implements the Expedited Funds Availability Act of 1987 (EFA Act), the Check Clearing for the 21st Century Act of 2003 (Check 21 Act), and the official staff commentary to the regulation.³⁹ Among other amendments, the Board modified the current check collection and return requirements to reflect the virtually all-electronic check collection and return environment and to encourage all depository banks to receive, and paying banks to send, returned checks electronically, and included provisions to address situations where there is a dispute as to whether a check has been altered or was issued with an unauthorized signature, and the original paper check is not available for inspection. The Board and CFPB also amended Regulation CC in July 2019 and May 2024 to implement a statutory requirement in the EFA Act to adjust the dollar amounts under the EFA Act for inflation, incorporate the Economic Growth, Regulatory Relief, and Consumer Protection Act (EGRRCPA) amendments, which include extending coverage to American Samoa, the Commonwealth of the Northern Mariana Islands, and Guam, and implement technical edits.⁴⁰

³⁸ 85 FR 34734 (June 5, 2020).

³⁹ 82 FR 27552 (June 15, 2017); 83 FR 46849 (Sept. 17, 2018).

⁴⁰ 84 FR 31687 (July 3, 2019), as corrected by 84 FR 45403 (Aug. 29, 2019); 89 FR 43737 (May 20, 2024).

- *Collection of Checks and Other Items by Federal Reserve Banks and Funds Transfers Through Fedwire.* In November 2018 and June 2022, the Board published final amendments to Regulation J, collection of checks and other items by Federal Reserve Banks and funds transfers through the Fedwire funds service and the FEDNOW service.⁴¹ Among other provisions, the amendments clarify and simplify certain provisions in Regulation J, remove obsolete provisions, and align the rights and obligations of sending banks, paying banks, and Federal Reserve Banks with the Board's amendments to Regulation CC to reflect the virtually all-electronic check collection and return environment. Additionally, the Board published final provisions to govern funds transfers through the Federal Reserve Banks' FedNowSM Service and changes and clarifications to regulations governing the Fedwire Funds Service, to reflect the fact that the Reserve Banks will be operating a second funds transfer service in addition to the Fedwire Funds Service, as well as technical corrections to regulations governing the check service.
- *Debit Card Interchange Fees and Routing.* In October 2022, the Board adopted a final rule that amends Regulation II to specify that the requirement that each debit card transaction must be able to be processed on at least two unaffiliated payment card networks applies to card-not-present transactions, the requirement that debit card issuers ensure that at least two unaffiliated networks have been enabled to process a debit card transaction, and standardize and clarify the use of certain terminology.⁴²
- *Regulation D: Reserve Requirements of Depository Institutions.* In July 2023, the Board amended two sections of Regulation D to conform the provisions to prior regulatory amendments.⁴³

⁴¹ 83 FR 61509 (Nov. 30, 2018); 87 FR 34350 (June 6, 2022).

⁴² 87 FR 61217 (Oct. 11, 2022).

⁴³ 88 FR 45057 (July 14, 2023).

- *Supervision and Regulation Assessments of Fees for Bank Holding Companies and Savings and Loan Holding Companies With Total Consolidated Assets of \$100 Billion or More.* In December 2020, the Board adopted a final rule to amend the Board's assessment rule, Regulation TT, pursuant to Section 318 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the Dodd-Frank Act), to address amendments made by section 401 of the EGRRCPA.⁴⁴ The final rule raises the minimum threshold for being considered an assessed company from \$50 billion to \$100 billion in total consolidated assets for bank holding companies and savings and loan holding companies and adjusts the amount charged to assessed companies with total consolidated assets between \$100 billion and \$250 billion to reflect changes in supervisory and regulatory responsibilities resulting from EGRRCPA.
- *Total Loss-Absorbing Capacity, Long-Term Debt, and Clean Holding Company Requirements for Systemically Important U.S. Bank Holding Companies and Intermediate Holding Companies of Systemically Important Foreign Banking Organizations.* In January 2017, the Board adopted a final rule to require a U.S. top-tier bank holding company identified under the Board's rules as a global systemically important bank holding company (covered BHC) to maintain outstanding a minimum amount of loss-absorbing instruments, including a minimum amount of unsecured long-term debt.⁴⁵ In addition, the final rule prescribes certain additional buffers, the breach of which would result in limitations on the capital distributions and discretionary bonus payments of a covered BHC. The final rule applies similar requirements to the top-tier U.S. intermediate holding company of a global systemically important foreign banking organization with \$50 billion or more in U.S. non-branch assets (covered IHC). The final

⁴⁴ 85 FR 78949 (Dec. 8, 2020).

⁴⁵ 82 FR 8266 (Jan. 24, 2017).

rule also imposes restrictions on other liabilities that a covered BHC or covered IHC may have outstanding in order to improve their resolvability and resiliency; these restrictions are referred to in the final rule as “clean holding company requirements.”

- *Amendments to the Capital, Capital Plan, and Stress Test Rules.* In February 2017 and March 2020, the Board adopted final rules amending the Board’s regulatory capital rule, capital plan rule, stress test rules, and Stress Testing Policy Statement.⁴⁶ Among other changes, the rules simplify the Board’s capital framework while preserving capital requirements for large firms and integrates the capital rule with the Comprehensive Capital Analysis and Review (CCAR) through the establishment of the stress capital buffer requirement. Through the integration of the capital rule and CCAR, the final rule removed redundant elements of the current capital and stress testing frameworks that currently operate in parallel rather than together, including the CCAR quantitative objection and the assumption that a banking organization makes all capital actions under stress.
- *Capital Planning and Stress Testing Requirements for Large Bank Holding Companies, Intermediate Holding Companies and Savings and Loan Holding Companies.* In February 2021, the Board adopted a final rule to tailor the requirements in the Board’s capital plan rule based on risk.⁴⁷ Specifically, as indicated in the Board’s October 2019 rulemaking that updated the prudential framework for large bank holding companies and U.S. intermediate holding companies of foreign banking organizations (tailoring framework), the final rule modifies the capital planning, regulatory reporting, and stress capital buffer requirements for firms subject to “Category IV” standards under that framework. To be consistent with recent changes to the Board’s stress testing rules, the

⁴⁶ 82 FR 9308 (Feb. 3, 2017); 85 FR 15576 (Mar. 18, 2020).

⁴⁷ 86 FR 7927 (Feb. 3, 2021), as corrected by 86 FR 9261 (Feb. 12., 2021).

final rule made other changes to the Board's stress testing rules, Stress Testing Policy Statement, and regulatory reporting requirements, such as the assumptions relating to business plan changes and capital actions and the publication of company-run stress test results for savings and loan holding companies. The final rule also applied the capital planning and stress capital buffer requirements to covered saving and loan holding companies subject to Category II, Category III, and Category IV standards under the tailoring framework.

- *Regulatory Capital Rules: Risk-Based Capital Requirements for Depository Institution Holding Companies Significantly Engaged in Insurance Activities.* In October 2023, the Board finalized risk-based capital requirements for depository institution holding companies that are significantly engaged in insurance activities.⁴⁸ This risk-based capital framework, termed the Building Block Approach, adjusts and aggregates existing legal entity capital requirements to determine enterprise-wide capital requirements. The final rule also contains a risk-based capital requirement excluding insurance activities, in compliance with section 171 of The Dodd-Frank Act. The Board also adopted a reporting form FR Q-1 related to the Building Block Approach. The capital requirements and associated reporting form meet statutory mandates and help to prevent the economic and consumer impacts resulting from the failure of organizations engaged in banking and insurance.

Specific FDIC Regulations Issued Since the Last EGRPRA Review.

- *Small Bank Assessments.* In 2016, the FDIC refined the deposit insurance assessment system for small insured depository institutions that have been federally insured for at least five years. The rule revised the financial ratios method so that it would be based on

⁴⁸ 88 FR 82950 (Nov. 27, 2023).

a statistical model estimating the probability of failure over three years, updated the financial measures used in the financial ratios method consistent with the statistical model, and eliminated risk categories for established small banks and using the financial ratios method to determine assessment rates for all such banks.⁴⁹ In 2018, technical amendments were made to the assessment rules to clarify that small bank assessment credits would be applied when the reserve ratio of the Deposit Insurance Fund (DIF) is at least 1.38 percent, removed a data item from the Call Report, and re-incorporated the capital definitions and ratio thresholds used for prompt corrective action that were inadvertently removed in the 2016 rulemaking.⁵⁰ In 2019, the FDIC amended the deposit insurance assessment regulations that govern the use of small bank assessment credits and one-time assessment credits by certain insured depository institutions to require these credits to continue as long as the DIF reserve ratio is at least 1.35 percent.⁵¹

- *Troubled Debt Restructuring Accounting Standards.* The FDIC incorporated updated accounting standards in the risk-based deposit insurance assessment system applicable to all large IDIs. The rule modified borrowers experiencing financial difficulty in the underperforming assets ratio and higher-risk assets ratio for purposes of deposit insurance assessments.⁵²
- *Initial Base Deposit Insurance Assessment.* In 2019 and 2022, the FDIC adopted a final rule to increase initial base deposit insurance assessment rate schedules by 2 basis points. The increase in the assessment rate schedules increased the likelihood that the reserve ratio will reach the statutory minimum of 1.35 percent by the statutory deadline of

⁴⁹ 81 FR 32180 (May 20, 2016), as amended at 85 FR 71227 (Nov. 9, 2020).

⁵⁰ 83 FR 14565 (Apr. 5, 2018).

⁵¹ 84 FR 65269 (Nov. 27, 2019).

⁵² 87 FR 64348 (Oct. 24, 2022).

September 30, 2028, consistent with the FDIC's Amended Restoration Plan, and is intended to support growth in the DIF in progressing towards the FDIC's long-term goal of a 2 percent Designated Reserve Ratio (DRR).⁵³

- *Surcharges.* Pursuant to the Dodd-Frank Act and the FDIC's authority under section 7 of the Federal Deposit Insurance Act, the FDIC imposed a surcharge on the quarterly assessments of insured depository institutions with total consolidated assets of \$10 billion or more.⁵⁴
- *Assessments.* Shortly after the banking agencies adopted the final rule that provided for a simple measure of capital adequacy for certain community banking organizations, the FDIC amended its deposit insurance assessment to apply the CBLR framework to the deposit insurance assessment system.⁵⁵
- *Special Assessment Pursuant to Systemic Risk Determination.* In response to the closures of Silicon Valley Bank and Signature Bank, the FDIC implemented a \$16.3 billion special assessment at a quarterly rate of 3.36 basis points to recover the loss to the DIF.⁵⁶
- *Reciprocal Deposits.* The FDIC amended its regulations implementing brokered deposits and interest rate restrictions to conform with changes to section 29 of the Federal Deposit Insurance Act made by section 202 of the Economic Growth, Regulatory Relief, and Consumer Protection Act related to reciprocal deposits.⁵⁷
- *Current Expected Credit Losses Methodology.* The FDIC addressed the temporary deposit insurance assessment effects resulting from certain optional regulatory capital

⁵³ 87 FR 64314 (Oct. 24, 2022).

⁵⁴ 81 FR 16059 (Mar. 25, 2016), as amended at 83 FR 14568 (Apr. 5, 2018).

⁵⁵ 84 FR 66833 (Dec. 6, 2019).

⁵⁶ 88 FR 83329 (Nov. 29, 2023).

⁵⁷ 84 FR 1346 (Feb. 4, 2019).

transition provisions relating to the implementation of the current expected credit losses methodology by adopting amendments to remove the double counting of a specified portion of the CECL transitional amount or the modified CECL transitional amount, as applicable, in certain financial measures that are calculated using the sum of Tier 1 capital and reserves and that are used to determine assessment rates for large or highly complex IDIs. The final rule also adjusted the calculation of the loss severity measure to remove the double counting of a specified portion of the CECL transitional amounts for a large or highly complex IDI.⁵⁸

- *Company-Run Stress Testing Requirements for State Nonmember Banks and State Savings Associations.* In 2019, the FDIC revised the minimum threshold from \$10 billion to \$250 billion for company-run stress tests applicable to state nonmember banks and state savings associations. The FDIC also revised the frequency of required stress tests from annual to periodically and reduced the number of required stress testing scenarios from three to two.⁵⁹

V. Request for Additional Comments on All Regulations

The agencies also invite comment on the following questions regarding the agencies' rules in any of the 12 categories of regulations in this current notice and previous EGRPRA documents.

- Question 20: Are there additional comments you would like to provide about the compliance costs for any of the EGRPRA categories included in prior EGRPRA notices? If possible, please provide specific quantitative information about the costs incurred. If possible, provide a specific breakdown of costs paid to various services, *e.g.*, labor, legal and other consulting services, technology.

⁵⁸ 86 FR 11391 (Feb. 25, 2021).

⁵⁹ 84 FR 56929 (Oct. 24, 2019), as corrected at 84 FR 64984 (Nov. 26, 2019).

- Question 21: Are there analyses that quantify the monetary costs necessary to comply with each of these rules? If possible, please provide a specific breakdown of costs paid to various services, *e.g.*, labor, technology, legal or other consulting services.
- Question 22: Looking at the regulations in a category as a whole, what changes would effectively minimize monetary compliance costs while still maintaining the firm's safety and soundness? If possible, provide specific quantitative information about the current costs incurred and the associated cost reductions.
- Question 23: Are there additional costs incurred for maintaining reporting, recordkeeping, and disclosure requirements for these rules that you wish to highlight in addition to your response to question 13? If possible, provide a specific breakdown of costs paid to various services, *e.g.*, labor, legal and other consulting services, technology, for reporting, recordkeeping, and disclosure.
- Question 24: Are there special considerations that might increase or decrease compliance costs compared to typical compliance expenses for other firms for the rules in these categories? Responses are encouraged to be as specific and quantitative as possible about the differences in costs incurred and the special characteristics that drive those differences.

VI. The Agencies' Review of Regulations under Section 610 of the Regulatory Flexibility Act (RFA)

Consistent with past practice, the agencies will use the EGRPRA review to satisfy their respective obligations under section 610 of the RFA.⁶⁰ To that end, for each rule that has a

⁶⁰ Section 610 of the Regulatory Flexibility Act, 5 U.S.C. 610, imposes a continuing obligation on the agencies to review regulations that may have a significant economic impact upon a substantial number of small entities within 10 years after a final rulemaking is published. A subset of the rules the agencies will review under EGRPRA will also be reviewed under the section 610 review criteria. The agencies will indicate which rules are subject to section 610

significant impact on a substantial number of small entities issued in the last 10 years, the agencies invite comment on (1) the continued need for the rule; (2) the complexity of the rule; (3) the extent to which the rule overlaps, duplicates or conflicts with other Federal rules, and, to the extent feasible, with State and local governmental rules; and (4) the length of time since the rule has been evaluated or the degree to which technology, economic conditions, or other factors have changed in the area affected by the rule. The purpose of the review will be to determine whether such rules should be continued without change, or should be amended or rescinded, consistent with the stated objectives of applicable statutes, to minimize any significant economic impact of the rules upon a substantial number of such small entities.

The FDIC identified one rule pertaining to Capital that requires review under the RFA. The agencies did not identify any additional rules in the categories of Banking Operations, Capital, and Community Reinvestment that require review under the RFA. Accordingly, the agencies will consider public comments submitted through the EGRPRA review process and agency experience to identify regulations where the agencies can reduce burdens that have a significant impact on a substantial number of small, insured depository institutions.⁶¹

Title: Regulatory Capital Rules: Regulatory Capital, Implementation of Basel III, Capital Adequacy, Transition Provisions, Prompt Corrective Action, Standardized Approach for Risk

review. The factors the agencies consider in evaluating a rule under 5 U.S.C. 610 are (1) the continued need for the rule; (2) the nature of complaints or comments received concerning the rule from the public; (3) the complexity of the rule; (4) the extent to which the rule overlaps, duplicates or conflicts with other Federal rules, and, to the extent feasible, with State and local governmental rules; and (5) the length of time since the rule has been evaluated or the degree to which technology, economic conditions, or other factors have changed in the area affected by the rule.

⁶¹ The review will be consistent with the requirements of a Regulatory Flexibility Act, section 610 review. The agencies will determine whether particular rules should be continued without change, amended, or rescinded, consistent with the objectives of applicable statutes, to minimize any significant economic impact of the rules on a substantial number of small, insured depository institutions.

Weighted Assets, Market Discipline and Disclosure Requirements, Advanced Approaches Risk Based Capital Rule, and Market Risk Capital Rule

Citation: 78 FR 55340 and 79 FR 20754

Authority: 12 U.S.C. 1831o(c) and See 12 U.S.C. 3907

Description: The FDIC adopted an interim final rule that revised its risk-based and leverage capital requirements for FDIC-supervised institutions. The interim final rule is substantially identical to a joint final rule issued by the OCC and the Board. The interim final rule implements a revised definition of regulatory capital, a new common equity tier 1 minimum capital requirement, a higher minimum tier 1 capital requirement, and, for advanced approaches or Category III FDIC-supervised institutions,⁶² a supplementary leverage ratio that incorporates a broader set of exposures in the denominator. The interim final rule incorporates these new requirements into the FDIC's prompt corrective action framework. In addition, the interim final rule establishes limits on FDIC-supervised institutions' capital distributions and certain discretionary bonus payments if the FDIC-supervised institution does not hold a specified amount of common equity tier 1 capital in addition to the amount necessary to meet its minimum risk-based capital requirements. The interim final rule amends the methodologies for determining risk-weighted assets for all FDIC-supervised institutions. The interim final rule also adopts changes to the FDIC's regulatory capital requirements that meet the requirements of section 171 and section 939A of the Dodd-Frank Wall Street Reform and Consumer Protection Act. The interim final rule was subsequently adopted as final.⁶³

⁶² The applicability of the supplementary leverage ratio was expanded from advanced approaches banking organizations to include Category III banking organizations in the agencies' tailoring final rule issued in 2019. *See Changes to Applicability Thresholds for Regulatory Capital and Liquidity Requirements*, 84 FR 59230 (Nov. 1, 2019).

⁶³ 79 FR 20754 (Apr. 14, 2014).

Prior RFA Analysis: A Final Regulatory Flexibility Analysis was prepared in accordance with 5 U.S.C. 604 in conjunction with an interim final rule.⁶⁴ In the interim final rule and subsequent final rule, the FDIC considered comments received on Initial Regulatory Flexibility Analyses included in three proposed rulemakings that preceded the interim and final rules.⁶⁵

⁶⁴ 78 FR 55340 (Aug. 10, 2013).

⁶⁵ 77 FR 52792 (Aug. 30, 2012); 77 FR 52888 (Aug. 30, 2012); 77 FR 52978 (Aug. 30, 2012).

Subject		National Banks	State Member Banks	State Non-Member Banks	Federal Savings Associations	State Savings Associations	BHCs & FHCs ----- SLHCs
		Banking Operations					
		OCC Regulations					
Assessment of Fees		12 CFR Part 8			12 CFR Part 8		
National Bank and Federal Savings Associations Operations		12 CFR Part 7, Subpart C			12 CFR Part 7, Subpart C		
Savings Association Operations					12 CFR Part 163		
Definitions for Regulations Affecting Federal Savings Associations					12 CFR Part 141		
Definitions for Regulations Affecting All Savings Associations					12 CFR Part 161		
		Board Regulations					
Assessment of Fees							12 CFR Part 246 [Reg. TT] ----- 12 CFR Part 246 [Reg. TT]
Availability of Funds and Collection of Checks		12 CFR Part 229 [Reg. CC]	12 CFR Part 229 [Reg. CC]	12 CFR Part 229 [Reg. CC]	12 CFR Part 229 [Reg. CC]	12 CFR Part 229 [Reg. CC]	
Collection of Checks and Other Items by Federal Reserve Banks and Funds Transfers Through Fedwire		12 CFR Part 210 [Reg. J]	12 CFR Part 210 [Reg. J]	12 CFR Part 210 [Reg. J]	12 CFR Part 210 [Reg. J]	12 CFR Part 210 [Reg. J]	
Debit Card Interchange Fees		12 CFR Part 235 [Reg. II]	12 CFR Part 235 [Reg. II]	12 CFR Part 235 [Reg. II]	12 CFR Part 235 [Reg. II]	12 CFR Part 235 [Reg. II]	
Reimbursement for Providing Financial Records; Recordkeeping Requirements for Certain Financial Records		12 CFR Part 219 [Reg. S]	12 CFR Part 219 [Reg. S]	12 CFR Part 219 [Reg. S]	12 CFR Part 219 [Reg. S]	12 CFR Part 219 [Reg. S]	

Subject	National Banks	State Member Banks	State Non-Member Banks	Federal Savings Associations	State Savings Associations	BHCs & FHCs ----- SLHCs
Reserve Requirements of Depository Institutions	12 CFR Part 204 [Reg. D]	12 CFR Part 204 [Reg. D]	12 CFR Part 204 [Reg. D]	12 CFR Part 204 [Reg. D]	12 CFR Part 204 [Reg. D]	
Payment System Risk Reduction Policy	Federal Reserve Regulatory Service 9-1000	Federal Reserve Regulatory Service 9-1000	Federal Reserve Regulatory Service 9-1000	Federal Reserve Regulatory Service 9-1000	Federal Reserve Regulatory Service 9-1000	
	FDIC Regulations					
Assessments	12 CFR Part 327	12 CFR Part 327	12 CFR Part 327	12 CFR Part 327	12 CFR Part 327	
	Capital					
	Interagency Regulations					
Capital Adequacy: General Provisions Ratio Requirements and Buffers Definition of Capital Transition Provisions	12 CFR Part 3, Subparts A–C, G	12 CFR Part 217, Subparts A–C, G [Reg. Q]	12 CFR Part 324, Subparts A–C, G	12 CFR Part 3, Subparts A–C, G	12 CFR Part 324, Subparts A–C, G	12 CFR Part 217, Subparts A–C, G, and H [Reg. Q] ----- 12 CFR Part 217, Subparts A–C, G [Reg. Q]
Capital Adequacy: Risk-Weighted Assets—Standardized Approach	12 CFR Part 3, Subpart D	12 CFR Part 217, Subpart D [Reg. Q]	12 CFR Part 324, Subpart D	12 CFR Part 3, Subpart D	12 CFR Part 324, Subpart D	12 CFR Part 217, Subpart D [Reg. Q] ----- 12 CFR Part 217, Subpart D [Reg. Q]
Capital Adequacy: Risk-Weighted Assets—Internal Ratings-Based and Advanced Measurement Approaches	12 CFR Part 3, Subpart E	12 CFR Part 217, Subpart E [Reg. Q]	12 CFR Part 324, Subpart E	12 CFR Part 3, Subpart E	12 CFR Part 324, Subpart E	12 CFR Part 217, Subpart E [Reg. Q] ----- 12 CFR Part 217, Subpart E [Reg. Q]
Capital Adequacy: Risk-Weighted Assets—Market Risk	12 CFR Part 3, Subpart F	12 CFR Part 217, Subpart F [Reg. Q]	12 CFR Part 324, Subpart F	12 CFR Part 3, Subpart F	12 CFR Part 324, Subpart F	12 CFR Part 217, Subpart F [Reg. Q] ----- 12 CFR Part 217, Subpart F [Reg. Q]

Subject	National Banks	State Member Banks	State Non-Member Banks	Federal Savings Associations	State Savings Associations	BHCs & FHCs ----- SLHCs
Prompt Corrective Action	12 CFR Part 6	12 CFR Part 208, Subpart D [Reg. H]; 12 CFR Part 263, Subpart H	12 CFR Part 324, Subpart H	12 CFR Part 6; 12 CFR 165.8; 12 CFR 165.9	12 CFR Part 324, Subpart H	12 CFR Part 208, Subpart D [Reg. H] 12 CFR Part 263, Subpart H -----
OCC Regulations						
Capital Adequacy: Establishment of Minimum Capital Ratios for an Individual Bank or Individual Federal Savings Association Enforcement Issuance of a Directive Interpretations	12 CFR Part 3, Subparts H—K			12 CFR Part 3, Subparts H-K		
Annual Stress Tests	12 CFR Part 46			12 CFR Part 46		
Changes in Permanent Capital of a National Bank or Federal Savings Association; Subordinated Debt Issued by a National Bank or Federal Savings Association	12 CFR 5.46-.47			12 CFR 5.45, 5.56		
Board Regulations						
Capital Adequacy: Risk-Based Capital Requirements for Depository Institution Holding Companies Significantly Engaged in Insurance Activities						12 CFR Part 217, Subpart J [Reg Q]
Capital Planning						12 CFR Part 225.8 [Reg. Y] -----

Subject	National Banks	State Member Banks	State Non-Member Banks	Federal Savings Associations	State Savings Associations	BHCs & FHCs ----- SLHCs
Stress Tests— U.S. Organizations Company Run and Supervisory		12 CFR Part 252, Subparts B, E, and F [Reg. YY]				12 CFR Part 252, Subparts B, E, and F [Reg. YY] ----- 12 CFR Part 238, Subparts O and P [Reg. LL]
Total Loss-Absorbing Capacity, Long Term Debt, and Clean Holding Company Requirements						12 CFR Part 252, Subpart G and P [Reg. YY] -----
FDIC Regulations						
Annual Stress Tests			12 CFR Part 325		12 CFR Part 325	
Community Reinvestment Act¹						
Interagency Regulations						
Community Reinvestment Act	12 CFR Part 25	12 CFR Part 228 [Reg. BB]	12 CFR Part 345	12 CFR Part 25	12 CFR Part 25	12 CFR Part 228 [Reg BB] ----- 12 CFR Part 228 [Reg BB }
Disclosure and Reporting of CRA-Related Agreements	12 CFR Part 35	12 CFR Part 207 [Reg. G]	12 CFR Part 346	12 CFR Part 35	12 CFR Part 346	12 CFR Part 207 [Reg G] ----- 12 CFR Part 207 [Reg G]

¹ Community development regulations are being published for comment as part of the Powers and Activities category.

The Honorable Rodney E. Hood,
Acting Comptroller of the Currency.

By order of the Board of Governors of the Federal Reserve System.
Ann E. Misback,
Secretary of the Board.

Federal Deposit Insurance Corporation.
By order of the Board of Directors.
Dated at Washington, DC, on [DATE].
Jennifer M. Jones,
Deputy Executive Secretary.

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