



Federal Deposit Insurance Corporation
550 17th Street NW, Washington, D.C. 20429-9990

Financial Institution Letter
FIL-53-2017
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Liquidity Coverage Ratio: Frequently Asked Questions

Summary: The Federal Deposit Insurance Corporation (FDIC), the Board of Governors of the Federal Reserve System, and the Office of the Comptroller of the Currency (collectively, the agencies) are issuing the attached FAQ document to address questions received by the agencies regarding the applicability of the liquidity coverage ratio (LCR) rule (12 CFR Part 329) in specific situations. The LCR rule was adopted by the agencies in September 2014 and implements a quantitative liquidity requirement consistent with the standard established by the Basel Committee on Banking Supervision.

Statement of Applicability to Institutions with Total Assets Under \$1 Billion: This Financial Institution Letter is not applicable to depository institutions with total assets of less than \$1 billion. The LCR rule is applicable only to depository institutions with \$10 billion or more in total consolidated assets that are consolidated subsidiaries of internationally active banking organizations.

Distribution:

FDIC-Supervised Banks (Commercial and Savings)

Suggested Routing:

Chief Executive Officer
Chief Financial Officer
Chief Risk Officer

Related Topics:

Liquidity Coverage Ratio
12 CFR Part 329

Attachment:

[Liquidity Coverage Ratio FAQs](#)

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Note:

FDIC Financial Institution Letters (FILs) may be accessed from the FDIC's website at <https://www.fdic.gov/news/news/financial/2017/>.

To receive FILs electronically, please visit <https://www.fdic.gov/about/subscriptions/fil.html>.

Paper copies may be obtained through the FDIC's Public Information Center, 3501 Fairfax Drive, E-1002, Arlington, VA 22226 (1-877-275-3342 or 703-562-2200).

Highlights:

The FAQ document addresses:

- Outflow amounts for liquidity facilities to public sector entities in connection with variable rate demand note programs;
- Outflow amounts for trusts;
- Maturity determination for instruments with remote contingency call options;
- Outflow amounts for trust ledger deposit accounts and custody assets;
- Treatment of multicurrency deposit balances;
- Inflows from secured loans to retail clients with open maturities;
- Securities lending as a form of evidence of ability to monetize; and
- Treatment of foreign withdrawable reserves.

These FAQs about the LCR rule also will be published at <https://www.fdic.gov/regulations/capital/liquidity/index.html>.

Additional questions may be sent to the interagency LCR mailbox at LCR.info@OCC.treas.gov.