



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

**Financial Institution Letter**  
**FIL-113-2008**  
**October 31, 2008**

## **RISK-BASED CAPITAL RULES**

### **Proposed Rulemaking on Capital Treatment of Certain Claims on or Guaranteed by Fannie Mae and Freddie Mac**

**Summary:** The federal bank and thrift regulatory agencies (agencies) are seeking comment on the attached joint notice of proposed rulemaking (NPR) to permit banks, bank holding companies and savings associations (banking organizations) to assign a 10 percent risk weight to claims on or guaranteed by the Federal National Mortgage Association (Fannie Mae) and the Federal Home Loan Mortgage Corporation (Freddie Mac). The FDIC will accept comments through November 26, 2008.

**Distribution:**

FDIC-Supervised Banks (Commercial and Savings)

**Suggested Routing:**

Chief Executive Officer  
Chief Financial Officer  
Chief Accounting Officer

**Related Topics:**

Risk-Based Capital Rules  
12 CFR Part 325

**Attachment:**

Notice of Proposed Rulemaking on Minimum Capital Ratios; Capital Adequacy Guidelines; Capital Maintenance; Capital: Treatment of Certain Claims on, or Guaranteed by, the Federal National Mortgage Association (Fannie Mae) and the Federal Home Loan Mortgage Corporation (Freddie Mac)

**Contact:**

Nancy Hunt, Senior Policy Analyst, at [nhunt@fdic.gov](mailto:nhunt@fdic.gov) or (202) 898-6643

Ryan Sheller, Capital Markets Specialist, at [rsheller@fdic.gov](mailto:rsheller@fdic.gov) or (202) 898-6614

**Note:**

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**Highlights:**

- In light of the financial support that the U.S. Department of Treasury has committed to Fannie Mae and Freddie Mac under the Government-Sponsored Enterprise Credit Facility and senior preferred stock purchase agreements (agreements), the agencies believe that a lower risk weight is appropriate for claims on these entities.
- In the attached NPR, the agencies propose to allow banking organizations to assign a 10 percent risk weight to claims on or guaranteed by Fannie Mae and Freddie Mac.
- Under the NPR, claims eligible for a 10 percent risk weight include all credit exposures, such as senior and subordinated debt and counterparty credit risk exposures, but do not include preferred or common stock.
- The agencies propose that the 10 percent risk weight would apply to these exposures for the term of the agreements.