



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

**Financial Institution Letter**  
**FIL-67-2019**  
**November 4, 2019**

## Revised Effective Date for Simplifications to the Capital Rule

**Summary:** The Federal Deposit Insurance Corporation, Office of the Comptroller of the Currency and the Federal Reserve Board (the agencies) jointly issued a final rule that permits insured depository institutions and depository institution holding companies to implement the simplifications to the capital rule on January 1, 2020, rather than April 1, 2020. These banking organizations may elect to use the revised effective date of January 1, 2020, or wait until the quarter beginning April 1, 2020.

**Statement of Applicability:** This final rule is applicable to non-advanced approaches FDIC-supervised institutions.

### **Distribution:**

FDIC-Supervised Institutions

### **Suggested Routing:**

Chief Executive Officer  
Chief Financial Officer  
Chief Risk Officer

### **Related Topics:**

Capital Adequacy of FDIC-Supervised Institutions,  
12 CFR Part 324 (Regulatory Capital Rules)

### **Attachments:**

[Capital Simplifications Final Rule](#)

[Capital Simplifications Final Rule - Revised Effective Date](#)

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### **Highlights:**

- On July 22, 2019, the agencies issued a final rule titled Regulatory Capital: Simplifications to the Capital Rule Pursuant to the Economic Growth and Regulatory Paperwork Reduction Act of 1996 (simplifications rule), which simplified the regulatory capital treatment for mortgage servicing assets, certain deferred tax assets arising from temporary differences, investments in the capital of unconsolidated financial institutions, and the calculation of minority interest. These provisions in the simplifications rule were effective as April 1, 2020.
- Under the effective date revision in this final rule, non-advanced approaches banking organizations may implement the simplification rule beginning on January 1, 2020. Non-advanced approaches banking organizations must implement these changes by April 1, 2020.
- Non-advanced approaches banking organizations can implement the simplified capital treatment in the simplifications rule by completing their Call Report for the first quarter or second quarter of 2020, as applicable under this final rule.
- The transition provisions to the regulatory capital rules issued by the agencies in November 2017 will cease to apply to non-advanced approaches banking organizations in the quarter in which the banking organization adopts the simplifications rule.
- The simplifications rule is also applicable to non-advanced approaches banking organizations that qualify and elect to use the community bank leverage ratio framework.