

Statement by Martin J. Gruenberg

Member, FDIC Board of Directors

Notice of Proposed Rulemaking to Align Capital and Liquidity Requirements for Foreign Banking Organizations With Those Proposed for U.S. Banking Organizations

April 16, 2019

The FDIC Board today is considering a Notice of Proposed Rulemaking (NPR) to align capital and liquidity requirements for foreign banking organizations with those proposed for U.S. banking organizations.

On November 20 of last year, the FDIC Board approved an NPR that would establish a revised framework for the application of regulatory capital and liquidity requirements for large U.S. banking organizations with total assets of \$100 billion or more. A consequence of the revised framework would be to reduce significantly the liquidity requirements for U.S. banking organizations with assets between \$100 billion and \$700 billion. Since this would, in my view, unnecessarily weaken a central post-crisis prudential protection for the financial system and place the Deposit Insurance Fund at greater risk, I voted against that proposal.

The NPR before the FDIC Board today would extend a very similar framework to foreign banking organizations in the United States. Since the framework is largely the same, I intend to vote against this NPR.

I would like to thank FDIC staff for their usual diligent and thoughtful work in bringing this NPR before the Board.