FEDERAL DEPOSIT INSURANCE CORPORATION

12 CFR Ch. III

Semiannual Agenda of Regulations

AGENCY: Federal Deposit Insurance Corporation.

ACTION: Semiannual regulatory agenda.

SUMMARY: The Federal Deposit Insurance Corporation (''FDIC'') is hereby publishing items for the fall 2012 Unified Agenda of Federal Regulatory and Deregulatory Actions. The agenda contains information about FDIC's current and projected rulemakings, existing regulations under review, and completed rulemakings.

FOR FURTHER INFORMATION CONTACT: Persons identified under regulations listed in the agenda. Unless otherwise noted, the address for all FDIC staff identified in the agenda is Federal Deposit Insurance Corporation, 550 17th Street NW., Washington, DC 20429.

SUPPLEMENTARY INFORMATION: Twice each year, the FDIC publishes an agenda of regulations to inform the public of its regulatory actions and to enhance public participation in the rulemaking process. Publication of the agenda is in accordance with the Regulatory Flexibility Act (5 U.S.C. 601 *et seq.*). The FDIC amends its regulations under the general rulemaking authority prescribed in section 9 of the Federal Deposit Insurance Act (12 U.S.C. 1819) and under specific authority granted by the Act and other statutes.

Proposed Rules

Margin and Capital Requirements for Covered Swap Entities (3064–AD79)

The Office of the Comptroller of the Currency, the Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, the Farm Credit Administration and the Federal Housing Finance Agency (collectively the ''Agencies'') are reopening the comment period for the proposed rule published in the **Federal Register** on May 11, 2011 (76 FR 27564) to establish minimum margin and capital requirements for uncleared swaps and security-based swaps entered into by swap dealers, major swap participants, security-based swap dealers, and major security-based swap participants for which one of the Agencies is the prudential regulator (''Proposed Margin Rule''). Reopening the comment period that expired on July 11, 2011 will allow interested persons additional time to analyze and comment on the Proposed Margin Rule in light of the consultative document on margin requirements for non-centrally-cleared derivatives recently published for comment by the Basel Committee on Banking Supervision and the International Organization of Securities Commissions.

Regulatory Capital Rules (Part 1): Regulatory Capital, Minimum Regulatory Capital Ratios, Capital Adequacy, Transition Provisions (3064–AD95)

The Office of the Comptroller of the Currency, Board of Governors of the Federal Reserve System, and the Federal Deposit Insurance Corporation (collectively the ''Agencies''), are seeking comment on three Notices of Proposed Rulemaking (''NPR'') that would revise and replace the agencies' current capital rules. In this NPR, the agencies are proposing to revise their risk-based and leverage capital requirements consistent with agreements reached by the Basel Committee on Banking Supervision in Basel III: A Global Regulatory Framework for More Resilient Banks and Banking Systems. The proposed revisions would include implementation of a new common equity tier 1 minimum capital requirement, a higher minimum tier 1 capital requirement, and, for banking organizations subject to the advanced approaches capital rules, a supplementary leverage ratio that incorporates a broader set of exposures in the denominator measure. Additionally, consistent with Basel III, the agencies are proposing to apply limits on a banking organization's capital distributions and certain discretionary bonus payments if the banking organization does not hold a specified amount of common equity tier 1 capital in addition to the amount necessary to meet its minimum risk-based requirements. This NPR also would establish more conservative standards for including an instrument in regulatory capital. As discussed in the proposal, the revisions set forth in this NPR are consistent with section 171 of the Dodd-Frank Wall Street Reform and Consumer Protection Act which requires the agencies to establish minimum risk-based and leverage capital requirements.

Regulatory Capital Rules (Part 2): Standardized Approach for Risk-Weighted Assets; Market Discipline and Disclosure Requirements (3064–AD96)

The Office of the Comptroller of the Currency, the Board of Governors of the Federal Reserve System, and the Federal Deposit Insurance Corporation (collectively, the ''Agencies'') are seeking comment on three notices of proposed rulemaking (''NPRs'') that would revise and replace the Agencies' current capital rules.

This NPR (''Standardized Approach NPR'') includes proposed changes to the agencies' general risk-based capital requirements for determining risk-weighted assets (that is, the calculation of the denominator of a banking organization's risk-based capital ratios). The proposed changes would revise and harmonize the agencies' rules of calculating risk-weighted assets to enhance risk-sensitivity and address weaknesses identified over recent years, including by incorporating certain international capital standards of the Basel Committee on Banking Supervision (''BCBS'') set forth in the standardized approach of the ''International Convergence of Capital Measurement and Capital Standards: A revised Framework'' (Basel II), as revised by the BCBS between 2006 and 2009, and other proposals addressed in recent consultative papers of the BCBS.

In this NPR, the Agencies also propose alternatives to credit ratings for calculating risk-weighted assets for certain assets, consistent with section 939A of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010. The revisions include methodologies for determining risk-weighted assets for residential mortgages, securitization exposures, and counterparty credit risk. The changes in the Standardized Approach NPR are proposed to take effect on January 1, 2015, with an option for early adoption. The Standardized Approach NPR also would introduce disclosure requirements that would apply to top-tier banking organizations domiciled in the United States with $50 billion or more in total assets, including disclosures related to regulatory capital instruments.

Regulatory Capital Rules (Part 3): Advanced Approaches Risk-Based Capital Rules; Market Risk Capital Rule (3064–AD97)

The Office of the Comptroller of the Currency (the ''OCC''), Board of Governors of the Federal Reserve System (the ''Board''), and the Federal Deposit Insurance Corporation (the ''FDIC'') (collectively, the ''Agencies'') are seeking comment on three notices of proposed rulemaking (''NPRs'') that would revise and replace the agencies' current capital rules.

In this NPR (''Advanced Approaches and Market Risk NPR'') the Agencies are proposing to revise the advanced approaches risk-based capital rule to incorporate certain aspects of ''Basel III:

A Global Regulatory Framework for More Resilient Banks and Banking Systems'' that the Agencies would apply only to advanced approach banking organizations. This NPR also proposes other changes to the advanced approaches rule that the Agencies believe are consistent with changes by the Basel Committee on Banking Supervision (''BCBS'') to its ''International Convergence of Capital Measurement and Capital Standards: A Revised Framework,'' as revised by the BCBS between 2006 and 2009, and recent consultative papers published by the BCBS. The Agencies also propose to revise the advanced approaches risk-based capital rule to be consistent with Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (the ''Dodd-Frank Act''). These revisions include replacing reference to credit ratings with alternative standards of creditworthiness consistent with section 939A of the Dodd-Frank Act.

Additionally, the OCC and FDIC are proposing that the market risk capital rule be applicable to federal and state savings associations, and the Board is proposing that the advanced approaches and market risk capital rules apply to top-tier savings and loan holding companies domiciled in the United States that meet the applicable thresholds. In addition, this NPR would codify the market risk rule consistent with the proposed codification of the other regulatory capital rules across the three proposals.

Final Rule

Credit Risk Retention (3064–AD74)

The Office of the Comptroller of the Currency, the Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, the U.S. Securities and Exchange Commission, the Federal Housing Finance Agency, and the Department of Housing and Urban Development (collectively the ''Agencies'') are proposing rules to implement the credit risk retention requirements of section 15G of the Securities Exchange Act of 1934 (15 U.S.C. 78o–11), as added by section 941 of the Dodd-Frank Wall Street Reform and Consumer Protection Act. Section 15G generally requires the securitizer of asset-backed securities to retain not less than five percent of the credit risk of the assets collateralizing the asset-backed securities. Section 15G includes a variety of exemptions from these requirements, including an exemption for asset-backed securities that are collateralized exclusively by residential mortgages that qualify as ''qualified residential mortgages,'' as such term is defined by the Agencies by rule.

Prohibitions and Restrictions on Proprietary Trading and Certain Interests in, and Relationships With, Hedge Funds and Private Equity Funds (3064–AD85)

The Office of the Comptroller of the Currency, the Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation and U.S. Securities and Exchange Commission requested comment on a proposed rule that would implement Section 619 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (''Dodd-Frank Act'') which contains certain prohibitions and restrictions on the ability of a banking entity and nonbank financial company supervised by the Board to engage in proprietary trading and have certain interests in, or relationships with, a hedge fund or private equity fund.

Incentive-Based Compensation Arrangements (3064–AD86)

The Office of the Comptroller of the Currency, the Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, the National Credit Union Administration, the U.S. Securities Exchange Commission, and the Fair Housing Finance Agency (collectively the ''Agencies'') proposed a rule to implement section 956 of the Dodd-Frank Wall Street Reform and Consumer Protection Act. The rule would require the reporting of incentive-based compensation arrangements by a covered financial institution and prohibit incentive-based compensation arrangements at a covered financial institution that provide excessive compensation or that could expose the institution to inappropriate risks that could lead to material financial loss.

Assessments, Large Bank Pricing (3064–AD92)

On February 7, 2011, the Board adopted a final rule that amended its assessment regulations, by, among other things, establishing a new methodology for determining assessment rates for large and highly complex institutions. The rule uses a scorecard method to determine large or highly complex institution's assessment rate. One of the financial ratios used in the scorecard is the ratio of higher-risk assets to Tier 1 capital and reserves. Higher-risk assets were defined as the sum of construction and land development (''C&D'') loans, leveraged loans, subprime loans, and nontraditional mortgage loans. In developing the definition of higher-risk assets, the FDIC used existing interagency guidance to define leveraged loans, nontraditional mortgage loans, and subprime loans, but refined the definitions to ensure consistency in reporting. In arriving at these definitions, the FDIC took into account comments that were received in response to the two notices of proposed rulemaking that led to adoption of the February 2011 rule.

While institutions already reported C&D loan data in their quarterly reports of condition and income (the ''Call Reports''), they did not report the data for the other loans, thus requiring new line items in these reports. Therefore, the February 2011 rule required a Paperwork Reduction Act of 1995 (''PRA'') notice requesting comment on proposed revisions to the reports that would provide the data needed by the FDIC to implement the rule beginning with the June 30, 2011 report date (the ''March 2011 PRA notice'').

Commenters on the March 2011 PRA notice raised concerns about their ability to report subprime and leveraged loan data consistent with the definitions used in the February 2011 rule. They also stated that they would be unable to report the required data by the June 30, 2011 report date. These data concerns had not been raised during the rulemaking process leading up to the February 2011 rule.

As a consequence of this unexpected difficulty, the FDIC issued guidance to large and highly complex institutions instructing them to identify and report subprime and leveraged loans and securitizations using either their existing internal methodologies or the definitions in existing supervisory guidance for a transition period. During the transition period, the FDIC would review the definitions of subprime and leveraged loans to determine whether changes to the definitions would alleviate commenters concerns without sacrificing accuracy in determining risk for deposit insurance pricing purposes.

As part of the review, staff considered all comments related to the higher-risk asset definitions submitted in response to the March 2011 PRA notice and a later July 2011 PRA notice. Staff also engaged in extensive discussions with bankers and industry trade groups to better understand their concerns and to solicit potential solutions to these concerns. As a result, the Board issued a notice of proposed rulemaking on March 20, 2012 (the ''NPR'') on which this final rule is based.

While the FDIC received only 14 comment letters on the NPR, some of the comments were extensive and detailed. The final rule generally

follows the proposal in the NPR, but makes some changes that reflect these comments. The goal of the final rule is to ensure that the assessment system captures the risk inherent in higher-risk assets without imposing unnecessary reporting burden.

Long Term Actions

Recordkeeping Rules for Institutions Operating Under the Exceptions or Exemptions for Banks From the Definitions of ''Broker'' or ''Dealer'' in the Securities Exchange Act of 1934 (3064–AD80)

The Office of the Comptroller of the Currency, the Board of Governors of the Federal Reserve System, and the Federal Deposit Insurance Corporation requested comment on recordkeeping rules for banks, savings associations, federal and state-licensed branches and agencies of foreign banks, and Edge and agreement corporations that engage in securities-related activities under the statutory exceptions or regulatory exemptions for ''banks'' from the definitions of ''broker'' or ''dealer'' in section 3(a)(4)(B) or section 3(a)(5) of the Securities Exchange Act of 1934. The rule is designed to facilitate and promote compliance with these exceptions and exemptions.

Completed Actions

Risk-Based Capital Guidelines; Market Risk; Alternatives to Credit Ratings for Debt and Securitization Positions (3064–AD70)

The Office of the Comptroller of the Currency, the Board of Governors of the Federal Reserve System, and the Federal Deposit Insurance Corporation are revising their market risk capital rules to better capture positions for which the market risk capital rules are appropriate; reduce procyclicality; enhance the rules' sensitivity to risks that are not adequately captured under current methodologies; and increase transparency through enhanced disclosures. The final rules do not include all of the methodologies adopted by the Basel Committee on Banking Supervision for calculating the standardized specific risk capital requirements for debt and securitization positions due to their reliance on credit ratings, which is impermissible under the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010. Instead, the final rule includes alternative methodologies for calculating standardized specific risk capital requirements for debt and securitization positions.

Transfer and Redesignation of Certain Regulations Involving State Savings Associations Pursuant to the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (3064–AD82)

Consistent with the authority provided to the Federal Deposit Insurance Corporation (the ''FDIC'') by the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, and other statutory authorities, the FDIC is reissuing and redesigning certain transferring Office of Thrift Supervision (''OTS'') regulations currently found in title 12, chapter V of the Code of Federal Regulations. In republishing these rules, the FDIC is making only technical changes to existing OTS regulations (such as nomenclature or address changes), and eliminating those OTS regulations for which other appropriate Federal banking agencies are authorized to act. In the future, the FDIC may take other actions related to the transferred rules: incorporating them into other FDIC regulations contained in title 12, chapter III, amending them, or rescinding them, as appropriate.

Disclosure of Information; Privacy Act Regulations; Notice and Amendments (3064–AD83)

The Dodd-Frank Wall Street Reform and Consumer Protection Act (the ''Act'') abolished the Office of Thrift Supervision (''OTS'') and redistributed, as of July 21, 2011, the statutorily prescribed transfer date (''Transfer Date''), the functions and regulations of the OTS relating to savings and loan holding companies, Federal savings associations, and State savings associations to the Board of Governors of the Federal Reserve System, the Office of the Comptroller of the Currency, and the Federal Deposit Insurance Corporation (the ''FDIC''), respectively. The FDIC has determined that, effective on the Transfer Date, the OTS Freedom of Information Act (''FOIA'') and Privacy Act (''PA'') regulations will not be enforced by the FDIC and that, instead, all FOIA and PA issues will be addressed under the FDIC's regulations involving disclosure of information and the PA, as amended. In taking this action the FDIC's goal is to avoid potential confusion and uncertainty that may arise regarding information concerning State savings associations after the Transfer Date.

Calculation of Maximum Obligation Limitation (3064–AD84)

The Federal Deposit Insurance Corporation and the Departmental Offices of the Department of the Treasury are issuing the final rule to implement applicable provisions of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the ''Dodd-Frank Act''). The Final Rule governs the calculation of the maximum obligation limitation (''MOL''), as specified in the Dodd-Frank Act. The MOL limits the aggregate amount of outstanding obligations that the FDIC may issue or incur in connection with the orderly liquidation of a covered financial company.

Permissible Investments for Federal and State Savings Associations: Corporate Debt Securities (3064–AD88)

This final rule amends Federal Deposit Insurance Corporation (''FDIC'') regulations to prohibit any insured savings association from acquiring or retaining a corporate debt security unless it determines, prior to acquiring such security and periodically thereafter, that the issuer has adequate capacity to meet all financial commitments under the security for the projected life of the investment. An issuer would satisfy this requirement if, based on the assessment of the savings association, the issuer presents a low risk of default and is likely to make full and timely repayment of principal and interest. This final rule adopts the proposed creditworthiness standard with the clarifying revision described below. In the final rule, the phrase ''projected life of the investment'' has been revised to ''projected life of the security'' to more closely track the language in the Office of the Comptroller of the Currency's (''OCC'') final rule. The clarifying revision addresses ambiguities in the proposed rule and harmonizes the final rule with the final rule adopted by the OCC regarding permissible investments for national banks.

Mutual Insurance Holding Company Treated as Insurance Company (3064–AD89)

The Federal Deposit Insurance Corporation (the ''FDIC'') is issuing a final rule that treats a mutual insurance holding company as an insurance company for purposes of Section 203(e) of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the ''Dodd-Frank Act''). The final rule clarifies that the liquidation and rehabilitation of a covered financial company that is a mutual insurance holding company will be conducted in the same manner as an insurance company. The final rule harmonizes the treatment of mutual insurance holding companies under Section 203(e) of the Dodd-Frank Act. The comment period for the NPR closed on February 13,

2012, and the FDIC received four comment letters. Additionally, the FDIC held a conference call with representatives of the National Association of Insurance Commissioners on January 17, 2012 and received their comments on the NPR. In light of the comments received and pursuant to the authority granted to it by section 209 of the Dodd-Frank Act, the FDIC is issuing the Final Rule.

Annual Stress Test (3064–AD91)

The Federal Deposit Insurance Corporation (the ''Corporation'') is issuing a final rule that implements the requirements of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the ''Dodd-Frank Act'') regarding stress tests. The Dodd-Frank Act requires the Corporation to issue regulations that require FDIC-insured state nonmember banks and FDIC-insured state-chartered savings associations with total consolidated assets of more than $10 billion to conduct annual stress tests, report the results of such stress tests to the Corporation and the Board of Governors of the Federal Reserve System, and publish a summary of the results of the stress tests. The final rule requires large covered banks to conduct annual stress tests beginning on the effective date of this final rule. The Corporation, however, will delay implementation of the annual stress test requirements under the final rule for institutions with total consolidated assets of more than $10 billion but less than $50 billion until September 30, 2013. The final rule requirement for public disclosure of a summary of the stress testing results for these institutions will be implemented starting with the 2014 stress test, with the disclosure occurring during the period starting June 15 and ending June 30 of 2015.

Qualified Financial Contracts Recordkeeping (3064–AD93)

The U.S. Commodity Futures Trading Commission, the Office of the Comptroller of the Currency, the Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation (''FDIC''), the U.S. Securities and Exchange Commission, and the Federal Housing Finance Agency (collectively the ''Agencies'' or ''primary financial regulatory agencies'') are proposing rules to implement the qualified financial contract recordkeeping requirements of section 210(c)(8)(H) of the Dodd Frank Wall Street Reform and Consumer Protection Act (the ''Act'' or the ''Dodd Frank Act''). Section 210(c)(8)(H) provides that, within 24 months of the enactment of the Act, the Agencies must jointly prescribe regulations that require financial companies to maintain such records with respect to qualified financial contracts (as defined in section 210(c)(8) of the Act) as necessary or appropriate to assist the FDIC as receiver for a covered financial company to exercise its rights and fulfill its obligations under the Act. The proposed rules will state recordkeeping requirements with respect to position-level data, counterparty level data, legal documentation data and collateral level data. These data are necessary to enable the FDIC to: (a) Comply with section 210(c)(9) and (10) of the Act in transferring qualified financial contracts; (b) assess the consequences of decisions to transfer, disaffirm or allow the termination of qualified financial contracts with one or more counterparties, and; (c) determine if any systemic risks are posed by the transfer, disaffirmance, or termination of such qualified financial contracts. The recordkeeping requirements of the proposed rule have been informed by the FDIC's experience with both large and small portfolios of qualified financial contracts and its review of large portfolios of insured depository institutions that were in troubled condition during the recent financial crisis.

Enforcement of Subsidiary and Affiliate Contracts by the FDIC as Receiver of a Covered Financial Company (3064–AD94)

The Federal Deposit Insurance Corporation (the ''Corporation'') is issuing a Final Rule that implements section 210(c)(16) of the Dodd-Frank Wall Street Reform and Consumer Protection Act, codified at 12 U.S.C. section 5390(c)(16), which permits the Corporation, as receiver for a financial company whose failure would pose a significant risk to the financial stability of the United States, to enforce contracts of subsidiaries or affiliates of the covered financial company despite contract clauses that purport to terminate, accelerate or provide for other remedies based on the insolvency, financial condition or receivership of the covered financial company. As a condition to maintaining these subsidiary or affiliate contracts in full force and effect, the Corporation as receiver must either: (1) transfer any supporting obligations of the covered financial company that back the obligations of the subsidiary or affiliate under the contract (along with all assets and liabilities that relate to those supporting obligations) to a bridge financial company or qualified third-party transferee by the statutory one-business-day deadline; or (2) provide adequate protection to such contract counterparties. The Final Rule sets forth the scope and effect of the authority granted under section 210(c)(16), clarifies the conditions and requirements applicable to the receiver, addresses requirements for notice to certain affected counterparties and defines key terms.

Federal Deposit Insurance Corporation.

Valerie Best,

Assistant Executive Secretary.

FEDERAL DEPOSIT INSURANCE CORPORATION—FINAL RULE STAGE

Sequence No.	Title	Regulation Identifier No.
517	12 CFR 324 Regulatory Capital Rules (Part I): Regulatory Capital, Minimum Regulatory Capital Ratios, Capital Adequacy, Transition Provisions.	3064–AD95
518	12 CFR 324 Regulatory Capital Rules (Part III): Standardized Approach for Risk-Weighted Assets; Market Discipline and Disclosure Requirements.	3064–AD96
519	12 CFR 324 Regulatory Capital Rules (Part 3): Advanced Approaches Risk-Based Capital Rules; Market Risk Capital Rule.	3064–AD97

FEDERAL DEPOSIT INSURANCE CORPORATION—LONG-TERM ACTIONS

Sequence No.	Title	Regulation Identifier No.
520	12 CFR 342 Recordkeeping Rules for Institutions Operating Under the Exceptions or Exemptions for Banks From the Definitions of ''Broker'' or ''Dealer'' in the Securities Exchange Act of 1934.	3064–AD80

FEDERAL DEPOSIT INSURANCE CORPORATION (FDIC)

Final Rule Stage

517. • Regulatory Capital Rules (Part I): Regulatory Capital, Minimum Regulatory Capital Ratios, Capital Adequacy, Transition Provisions

Legal Authority: Pub. L. 111—203

Abstract: The Office of the Comptroller of the Currency, Board of Governors of the Federal Reserve System, and the Federal Deposit Insurance Corporation (collectively the ''Agencies''), are seeking comment on three Notices of Proposed Rulemaking (''NPRM'') that would revise and replace the Agencies' current capital rules. In this NPRM, the Agencies are proposing to revise their risk-based and leverage capital requirements consistent with agreements reached by the Basel Committee on Banking Supervision in Basel III: A Global Regulatory Framework for More Resilient Banks and Banking Systems. The proposed revisions would include implementation of a new common equity tier 1 minimum capital requirement, a higher minimum tier 1 capital requirement, and, for banking organizations subject to the advanced approaches capital rules, a supplementary leverage ratio that incorporates a broader set of exposures in the denominator measure.

Additionally, consistent with Basel III, the Agencies are proposing to apply limits on a banking organization's capital distributions and certain discretionary bonus payments if the banking organization does not hold a specified amount of common equity tier 1 capital in addition to the amount necessary to meet its minimum risk-based requirements. This NPRM also would establish more conservative standards for including an instrument in regulatory capital. As discussed in the proposal, the revisions set forth in this NPRM are consistent with section 171 of the Dodd-Frank Wall Street Reform and Consumer Protection Act which requires the Agencies to establish minimum risk-based and leverage capital requirements.

Timetable:

Action	Date	FR Cite
NPRM	08/30/12	77 FR 169
NPRM Comment Period End.	10/22/12	
Final Rule	12/00/12	

Regulatory Flexibility Analysis Required: Yes.

Agency Contact: Bobby R. Bean, Chief, Policy Section, Federal Deposit Insurance Corporation, Washington, DC 20429, *Phone:* 202 898–3575.

Mark Handzlik, Senior Attorney, Federal Deposit Insurance Corporation, Washington, DC 20429, *Phone:* 202 898–3900.

Michael Phillips, Counsel, Legal Division, Federal Deposit Insurance Corporation, Washington, DC 20429, *Phone:* 202 898–3581.

RIN: 3064–AD95

518. • Regulatory Capital Rules (Part III): Standardized Approach for Risk-Weighted Assets; Market Discipline and Disclosure Requirements

Legal Authority: Pub. L. 111–203

Abstract: The Office of the Comptroller of the Currency, the Board of Governors of the Federal Reserve System, and the Federal Deposit Insurance Corporation (collectively, the Agencies) are seeking comment on three notices of proposed rulemaking (NPRM) that would revise and replace the agencies' current capital rules.

This NPRM (Standardized Approach NPRM) includes proposed changes to the Agencies' general risk-based capital requirements for determining risk-weighted assets (that is, the calculation of the denominator of a banking organization's risk-based capital ratios). The proposed changes would revise and harmonize the Agencies' rules of calculating risk-weighted assets to enhance risk-sensitivity and address weaknesses identified over recent years, including by incorporating certain international capital standards of the Basel Committee on Banking Supervision (BCBS) set forth in the standardized approach of the ''International Convergence of Capital Measurement and Capital Standards: A Revised Framework'' (Basel II), as revised by the BCBS between 2006 and 2009, and other proposals addressed in recent consultative papers of the BCBS.

In this NPRM, the Agencies also propose alternatives to credit ratings for calculating risk-weighted assets for certain assets, consistent with section 939A of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010. The revisions include methodologies for determining risk-weighted assets for residential mortgages, securitization exposures, and counterparty credit risk. The changes in the Standardized Approach NPRM are proposed to take effect on January 1, 2015, with an option for early adoption. The Standardized Approach NPRM also would introduce disclosure requirements that would apply to top-tier banking organizations domiciled in the United States with $50 billion or more in total assets, including disclosures related to regulatory capital instruments.

Timetable:

Action	Date	FR Cite
NPRM	08/30/12	77 FR 52887
Comment Period Extended 11/16/2012.	10/17/12	77 FR 63763
NPRM Comment Period End 10/22/2012.	10/22/12	
Final Rule	12/00/12	

Regulatory Flexibility Analysis Required: Yes.

Agency Contact: Bobby R. Bean, Chief, Policy Section, Federal Deposit Insurance Corporation, Washington, DC 20429, *Phone:* 202 898–3575.

Karl Reitz, Senior Capital Markets Specialist, Federal Deposit Insurance Corporation, 550 17th Street NW., Washington, DC 20429, *Phone:* 202 898–6775, *Email: kreitz@fdic.gov.*

Mark Handzlik, Senior Attorney, Federal Deposit Insurance Corporation, Washington, DC 20429, *Phone:* 202 898–3900.

Michael Phillips, Counsel, Legal Division, Federal Deposit Insurance Corporation, Washington, DC 20429, *Phone:* 202 898–3581.

RIN: 3064–AD96

519. • Regulatory Capital Rules (Part 3): Advanced Approaches Risk-Based Capital Rules; Market Risk Capital Rule

Legal Authority: Pub. L. 111–203

Abstract: The Office of the Comptroller of the Currency (the ''OCC''), Board of Governors of the Federal Reserve System (the ''Board''), and the Federal Deposit Insurance Corporation (the ''FDIC'') (collectively, the ''Agencies'') are seeking comment on three notices of proposed rulemaking (NPRMs) that would revise and replace the Agencies' current capital rules.

In this NPRM (Advanced Approaches and Market Risk NPR) the Agencies are proposing to revise the advanced approaches risk-based capital rule to incorporate certain aspects of ''Basel III: A Global Regulatory Framework for More Resilient Banks and Banking Systems'' that the agencies would apply only to advanced approach banking organizations. This NPRM also proposes other changes to the advanced approaches rule that the agencies believe are consistent with changes by the Basel Committee on Banking Supervision (''BCBS'') to its ''International Convergence of Capital Measurement and Capital Standards: A Revised Framework'' (Basel II), as revised by the BCBS between 2006 and 2009, and recent consultative papers published by the BCBS. The Agencies also propose to revise the advanced approaches risk-based capital rule to be consistent with Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (the ''Dodd-Frank Act''). These revisions include replacing reference to credit ratings with alternative standards of creditworthiness consistent with section 939A of the Dodd-Frank Act.

Additionally, the OCC and FDIC are proposing that the market risk capital rule be applicable to federal and state savings associations, and the Board is proposing that the advanced approaches and market risk capital rules apply to top-tier savings and loan holding companies domiciled in the United States that meet the applicable thresholds. In addition, this NPRM would codify the market risk rule consistent with the proposed codification of the other regulatory capital rules across the three proposals.

Timetable:

Action	Date	FR Cite
NPRM	08/30/12	77 FR 52977
NPRM Comment Period End 10/22/2012.	10/22/12	
Final Rule	12/00/12	

Regulatory Flexibility Analysis Required: Yes.

Agency Contact: Bobby R. Bean, Chief, Policy Section, Federal Deposit Insurance Corporation, Washington, DC 20429, *Phone:* 202 898–3575.

Ryan Billingsley, Senior Policy Analyst, Federal Deposit Insurance Corporation, 550 17th Street NW., Washington, DC 20429, *Phone:* 202 898–3797, *Email: rbillingsley@fdic.gov.*

Mark Handzlik, Senior Attorney, Federal Deposit Insurance Corporation, Washington, DC 20429, *Phone:* 202 898–3900.

Michael Phillips, Counsel, Legal Division, Federal Deposit Insurance Corporation, Washington, DC 20429, *Phone:* 202 898–3581.

RIN: 3064–AD97

FEDERAL DEPOSIT INSURANCE CORPORATION (FDIC)

Long-Term Actions

520. Recordkeeping Rules for Institutions Operating Under the Exceptions or Exemptions for Banks From the Definitions of ''Broker'' or ''Dealer'' in the Securities Exchange Act of 1934

Legal Authority: 12 U.S.C. 1818; 12 U.S.C. 1819 (Tenth); 12 U.S.C. 1828(t)

Abstract: The Office of the Comptroller of the Currency, the Board of Governors of the Federal Reserve System, and the Federal Deposit Insurance Corporation requested comment on recordkeeping rules for banks, savings associations, federal and state-licensed branches and agencies of foreign banks, and Edge and agreement corporations that engage in securities-related activities under the statutory exceptions or regulatory exemptions for ''banks'' from the definitions of ''broker'' or ''dealer'' in section 3(a)(4)(B) or section 3(a)(5) of the Securities Exchange Act of 1934. The rule is designed to facilitate and promote compliance with these exceptions and exemptions.

Timetable:

Action	Date	FR Cite
NPRM	To Be Determined	

Regulatory Flexibility Analysis Required: Yes.

Agency Contact: Michael Phillips, *Phone:* 202 898–3581.

RIN: 3064–AD80

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Part XXIII

Federal Reserve System

Semiannual Regulatory Agenda