



This document is scheduled to be published in the Federal Register on 07/01/2014 and available online at <http://federalregister.gov/a/2014-15396>, and on FDsys.gov

Billing Code: 8070-01-P

FEDERAL HOUSING FINANCE AGENCY

12 CFR Part 1238

[No. 2014-N-8]

Order: Supplemental Order on Reporting by Regulated Entities of Stress Testing

Results as of September 30, 2013

AGENCY: Federal Housing Finance Agency.

ACTION: Orders.

SUMMARY: In this document, the Federal Housing Finance Agency (FHFA) provides notice that it issued an Order to supplement its Orders dated November 26, 2013 and December 13, 2013, with respect to the reporting of each Federal Home Loan Banks' results under section 165(i)(2) of the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act).

DATES: Effective [Insert date of publication in the Federal Register]. The Order is applicable June 24, 2014.

FOR FURTHER INFORMATION CONTACT: Naa Awaa Tagoe, Senior Associate Director, Office of Financial Analysis, Modeling and Simulations, (202) 649-3140, naawaa.tagoe@fhfa.gov; Stefan Szilagyi, Examination Manager, FHLBank Modeling, FHLBank Risk Modeling Branch, (202) 649-3515, stefan.szilagyi@fhfa.gov; or Mark D. Laponsky, Deputy General Counsel, Office of General Counsel, (202) 649-3054 (these are not toll-free numbers), mark.laponsky@fhfa.gov. The telephone number for the

Telecommunications Device for the Hearing Impaired is (800) 877-8339.

SUPPLEMENTARY INFORMATION:

I. Background

FHFA is responsible for ensuring that the regulated entities operate in a safe and sound manner, including the maintenance of adequate capital and internal controls, that their operations and activities foster liquid, efficient, competitive, and resilient national housing finance markets, and that they carry out their public policy missions through authorized activities. See 12 U.S.C. 4513. The Supplemental Order is being issued under 12 U.S.C. 4514(a), which authorizes the Director of FHFA to require by Order that the regulated entities submit regular or special reports to FHFA and establishes remedies and procedures for failing to make reports required by Order. The Supplemental Order provides to the Federal Home Loan Banks a revised template to use in reporting to the public the severely adverse results of their respective stress tests.

II. Order

For the convenience of the affected parties, the text of the Order, without appendices, follows below in its entirety. You may access this Order with its attachment from FHFA's Web site at

<http://www.fhfa.gov/SupervisionRegulation/LegalDocuments/Pages/Orders.aspx>. The Order will be available for public inspection and copying at the Federal Housing Finance Agency, Eighth Floor, 400 Seventh St., SW, Washington, DC 20024. To make an appointment, call (202) 649-3804.

The text of the Supplemental Order is as follows:

Federal Housing Finance Agency

SUPPLEMENTAL ORDER ON REPORTING BY REGULATED ENTITIES OF STRESS TESTING RESULTS AS OF SEPTEMBER 30, 2013

Whereas, section 165(i)(2) of the Dodd-Frank Wall Street Reform and Consumer Protection Act (“Dodd-Frank Act”) requires certain financial companies with total consolidated assets of more than \$10 billion, and which are regulated by a primary Federal financial regulatory agency, to conduct annual stress tests to determine whether the companies have the capital necessary to absorb losses as a result of adverse economic conditions;

Whereas, FHFA’s rule implementing section 165(i)(2) of the Dodd-Frank Act is codified as 12 CFR part 1238 and requires that “[e]ach regulated entity must file a report in the manner and form established by FHFA.” 12 CFR § 1238.5(b);

Whereas, on November 26, 2013, FHFA issued an Order to each regulated entity accompanied by appendices numbered 1 through 10 and amended Summary Instructions and Guidance relating to the performance of stress tests as of September 30, 2013, and the reporting of the results of such tests;

Whereas, on December 13, 2013, FHFA issued a Supplemental Order to each regulated entity providing two additional appendices for use in reporting stress testing results as of September 30, 2013;

Whereas, each of the Federal Home Loan Banks timely submitted its stress test results pursuant to 12 CFR part 1238 and the implementing Orders, instructions, and guidance;

Whereas, after analyzing the results of each of the Federal Home Loan Banks’ stress testing and the methodologies and practices used in testing, FHFA has determined that the original template designed for public disclosure of the severely adverse test results should be revised; and

Whereas, section 1314 of the Safety and Soundness Act, 12 U.S.C. § 4514(a) authorizes the Director of FHFA to require regulated entities, by general or specific order, to submit such reports on their management, activities, and operations as the Director considers appropriate.

Now Therefore, it is hereby ordered as follows:

Each of the Federal Home Loan Banks shall publicly report as required by 12 CFR part 1238 the severely adverse results of the required stress testing using the template provided herewith as Attachment 1.

IT IS SO ORDERED, this 24th day of June 2014

This Order is effective immediately.

Signed at Washington, DC, this 24th day of June, 2014.

Melvin L. Watt,
Director, Federal Housing Finance Agency.

_____ Dated: June 24, 2014
Melvin L. Watt,
Director, Federal Housing Finance Agency.

[FR Doc. 2014-15396 Filed 06/30/2014 at 8:45 am; Publication Date: 07/01/2014]