



FEDERAL RESERVE SYSTEM

12 CFR Parts 211 and 238

Docket No. R-1569

RIN 7100-AE82

Large Financial Institution Rating System; Regulations K and LL

AGENCY: Board of Governors of the Federal Reserve System (Board).

ACTION: Notice of proposed rulemaking; extension of comment period.

SUMMARY: On August 17, 2017, the Board published in the Federal Register a proposed new rating system for its supervision of large financial institutions. To facilitate effective public comment on the proposal, the Board previously extended the comment period from October 16, 2017, to November 30, 2017. The Board has determined that a further extension of the comment period until February 15, 2018, is appropriate. This action will allow interested persons additional time to analyze the proposal and prepare their comments.

DATES: Comments on the proposed rule published August 17, 2017, 82 FR 39049, are extended and must be received on or before February 15, 2018.

ADDRESSES: You may submit comments by any of the methods identified in the proposal. Please submit your comments using only one method.

FOR FURTHER INFORMATION CONTACT:

Richard Naylor, Associate Director, (202) 728-5854, Vaishali Sack, Manager, (202) 452-5221, April Snyder, Manager, (202) 452-3099, Bill Charwat, Senior Project Manager, (202) 452-3006, Division of Supervision and Regulation, Scott Tkacz, Senior Counsel, (202) 452-2744, or Christopher Callanan, Senior Attorney, (202) 452-3594, Legal Division, Board of Governors of the Federal Reserve System, 20th and C Streets, NW, Washington, DC 20551. For the hearing

impaired only, Telecommunications Device for the Deaf (TDD) users may contact (202) 263-4869.

SUPPLEMENTARY INFORMATION:

On August 17, 2017, the Board published in the Federal Register a proposed new rating system for its supervision of large financial institutions.¹ The proposed “Large Financial Institution Rating System” is closely aligned with the Federal Reserve’s new supervisory program for large financial institutions. The proposed rating system would apply to all bank holding companies with total consolidated assets of \$50 billion or more; all non-insurance, non-commercial savings and loan holding companies with total consolidated assets of \$50 billion or more; and U.S. intermediate holding companies of foreign banking organizations established pursuant to the Federal Reserve’s Regulation YY. The proposed rating system includes a new rating scale under which component ratings would be assigned for capital planning and positions, liquidity risk management and positions, and governance and controls. The Federal Reserve proposes to assign initial ratings under the new rating system during 2018. The Federal Reserve is also seeking comment on proposed revisions to existing provisions in Regulations K and LL so they would remain consistent with certain features of the proposed rating system.

The proposal stated that the public comment period would close on October 16, 2017, which the Board previously extended to November 30, 2017.²

An additional extension of the comment period will provide an opportunity for the public to comment on the ratings framework and related supervisory expectations as a whole.

¹ See “Large Financial Institution Rating System; Regulations K and LL,” 82 FR 39049 (August 17, 2017).

² See “Large Financial Institution Rating System; Regulations K and LL,” 82 FR 47164 (October 11, 2017).

Therefore, the Board is extending the end of the comment period for the proposal from November 30, 2017, to February 15, 2018.

By order of the Board of Governors of the Federal Reserve System, acting through the Secretary of the Board under delegated authority, November 17, 2017.

Ann E. Misback,
Secretary of the Board.

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