

**DEPARTMENT OF TREASURY**

**Office of the Comptroller of the Currency**

**12 CFR Part 3**

**Docket No. OCC-2020-0011; RIN 1557-AE83**

**FEDERAL RESERVE SYSTEM**

**12 CFR Part 217**

**Regulations Q; Docket No. R-1705; RIN 7100-AF79**

**FEDERAL DEPOSIT INSURANCE CORPORATION**

**12 CFR Part 324**

**RIN 3064-AF1**

**Regulatory Capital Rule: Money Market Mutual Fund Liquidity Facility**

**AGENCY:** Board of Governors of the Federal Reserve System (Board), Office of the Comptroller of the Currency (OCC), and Federal Deposit Insurance Corporation (FDIC).

**ACTION:** Interim final rule and request for comment.

**SUMMARY:** To provide liquidity to the money market sector to help stabilize the financial system, the Board of Governors of the Federal Reserve System authorized the Federal Reserve Bank of Boston to establish the Money Market Mutual Fund Liquidity Facility (MMLF), pursuant to section 13(3) of the Federal Reserve Act. Under the MMLF, the Federal Reserve Bank of Boston will extend non-recourse loans to eligible financial institutions to purchase certain types of assets from money market mutual funds (MMFs). To facilitate this Federal Reserve lending program, the Board, OCC and FDIC (together, the agencies) are adopting this interim final rule to allow banking organizations to neutralize the regulatory capital effects of participating in the program. This treatment would extend to the community bank leverage ratio.

**DATES:** The interim final rule is effective [DATE OF PUBLICATION IN THE FEDERAL REGISTER]. Comments on the interim final rule must be received no later than [45 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER].

**ADDRESSES:**

*OCC:* Commenters are encouraged to submit comments through the Federal eRulemaking Portal or e-mail, if possible. Please use the title “Regulatory Capital Rule: Eligible Retained Income” to facilitate the organization and distribution of the comments. You may submit comments by any of the following methods:

- *Federal eRulemaking Portal – Regulations.gov Classic or Regulations.gov Beta:*  
*Regulations.gov Classic:* Go to <https://www.regulations.gov/>. Enter “Docket ID OCC-2020-0011” in the Search Box and click “Search.” Click on “Comment Now” to submit public comments. For help with submitting effective comments please click on “View Commenter’s Checklist.” Click on the “Help” tab on the *Regulations.gov* home page to get information on using *Regulations.gov*, including instructions for submitting public comments.

*Regulations.gov Beta:* Go to <https://beta.regulations.gov/> or click “Visit New *Regulations.gov Site*” from the *Regulations.gov Classic* homepage. Enter “Docket ID OCC-2020-0011” in the Search Box and click “Search.” Public comments can be submitted via the “Comment” box below the displayed document information or by clicking on the document title and then clicking the “Comment” box on the top-left side of the screen. For help with submitting effective comments please click on “Commenter’s Checklist.” For assistance with the *Regulations.gov Beta* site, please call (877) 378-5457 (toll free) or (703) 454-9859 Monday-Friday, 9am-5pm ET or e-mail [regulations@erulemakinghelpdesk.com](mailto:regulations@erulemakinghelpdesk.com).

- *E-mail:* [regs.comments@occ.treas.gov](mailto:regs.comments@occ.treas.gov).

- *Mail:* Chief Counsel’s Office, Attention: Comment Processing, Office of the Comptroller of the Currency, 400 7th Street, SW., suite 3E-218, Washington, DC 20219.
- *Hand Delivery/Courier:* 400 7th Street, SW., suite 3E-218, Washington, DC 20219.
- *Fax:* (571) 465-4326.

*Instructions:* You must include “OCC” as the agency name and “Docket ID OCC-2020-0011” in your comment. In general, the OCC will enter all comments received into the docket and publish the comments on the *Regulations.gov* website without change, including any business or personal information provided such as name and address information, e-mail addresses, or phone numbers. Comments received, including attachments and other supporting materials, are part of the public record and subject to public disclosure. Do not include any information in your comment or supporting materials that you consider confidential or inappropriate for public disclosure.

You may review comments and other related materials that pertain to this rulemaking action by any of the following methods:

- *Viewing Comments Electronically – Regulations.gov Classic or Regulations.gov Beta:*

*Regulations.gov Classic:* Go to <https://www.regulations.gov/>. Enter “Docket ID OCC-2020-0011” in the Search box and click “Search.” Click on “Open Docket Folder” on the right side of the screen. Comments and supporting materials can be viewed and filtered by clicking on “View all documents and comments in this docket” and then using the filtering tools on the left side of the screen. Click on the “Help” tab on the *Regulations.gov* home page to get information on using *Regulations.gov*. The docket may be viewed after the close of the comment period in the same manner as during the comment period.

*Regulations.gov Beta:* Go to <https://beta.regulations.gov/> or click “Visit New *Regulations.gov Site*” from the *Regulations.gov* Classic homepage. Enter “Docket ID OCC-2020-0011” in the Search Box and click “Search.” Click on the “Comments” tab. Comments can be viewed and filtered by clicking on the “Sort By” drop-down on the right side of the screen or the “Refine Results” options on the left side of the screen. Supporting materials can be viewed by clicking on the “Documents” tab and filtered by clicking on the “Sort By” drop-down on the right side of the screen or the “Refine Results” options on the left side of the screen.” For assistance with the *Regulations.gov* Beta site, please call (877) 378-5457 (toll free) or (703) 454-9859 Monday-Friday, 9am-5pm ET or e-mail [regulations@erulemakinghelpdesk.com](mailto:regulations@erulemakinghelpdesk.com).

The docket may be viewed after the close of the comment period in the same manner as during the comment period.

- *Viewing Comments Personally:* You may personally inspect comments at the OCC, 400 7<sup>th</sup> Street, SW., Washington, DC 20219. For security reasons, the OCC requires that visitors make an appointment to inspect comments. You may do so by calling (202) 649-6700 or, for persons who are deaf or hearing impaired, TTY, (202) 649-5597. Upon arrival, visitors will be required to present valid government-issued photo identification and submit to security screening in order to inspect comments.

*Board:* You may submit comments, identified by Docket No.R-1705; RIN 7100-AF79, by any of the following methods:

- Agency website: <http://www.federalreserve.gov>. Follow the instructions for submitting comments at <http://www.federalreserve.gov/generalinfo/foia/ProposedRegs.cfm>.
- E-mail: [regs.comments@federalreserve.gov](mailto:regs.comments@federalreserve.gov). Include docket and RIN numbers in the subject line of the message.

- FAX: (202) 452-3819 or (202) 452-3102.
- Mail: Ann E. Misback, Secretary, Board of Governors of the Federal Reserve System, 20th Street and Constitution Avenue, NW, Washington, DC 20551.

All public comments will be made available on the Board's web site at

<http://www.federalreserve.gov/generalinfo/foia/ProposedRegs.cfm> as submitted, unless modified for technical reasons or to remove personally identifiable information at the commenter's request. Accordingly, comments will not be edited to remove any identifying or contact information. Public comments may also be viewed electronically or in paper in Room 146, 1709 New York Avenue, NW, Washington, DC 20006, between 9:00 a.m. and 5:00 p.m. on weekdays. For security reasons, the Board requires that visitors make an appointment to inspect comments. You may do so by calling (202) 452-3684.

FDIC: You may submit comments, identified by RIN [●], by any of the following methods:

- *Agency Web Site*: <http://www.fdic.gov/regulations/laws/federal>. Follow instructions for submitting comments on the Agency Web site.

- *E-mail*: [Comments@FDIC.gov](mailto:Comments@FDIC.gov). Include "RIN [●]" on the subject line of the message.

- *Mail*: Robert E. Feldman, Executive Secretary, Attention: Comments/RIN [●], Federal Deposit Insurance Corporation, 550 17th Street, NW, Washington, DC 20429.

- *Hand Delivery/Courier*: Comments may be hand delivered to the guard station at the rear of the 550 17th Street Building (located on F Street) on business days between 7 a.m. and 5 p.m. All comments received must include the agency name (FDIC) and RIN [●] and will be posted without change to <http://www.fdic.gov/regulations/laws/federal>, including any personal information provided.

**FOR FURTHER INFORMATION CONTACT:**

OCC: Margot Schwadron, Director, or Benjamin Pegg, Risk Expert, Capital and Regulatory Policy, (202) 649–6370; or Carl Kaminski, Special Counsel, or Kevin Korzeniewski, Counsel,, Chief Counsel’s Office, (202) 649–5490, for persons who are deaf or hearing impaired, TTY, (202) 649–5597, Office of the Comptroller of the Currency, 400 7th Street SW, Washington, DC 20219.

*Board:* Anna Lee Hewko, Associate Director, (202) 530-6360, Constance Horsley, Deputy Associate Director, (202) 452-5239, Juan Climent, Manager, (202) 460 2180, Division of Supervision and Regulation; Benjamin McDonough, Assistant General Counsel, (202) 452-2036, Asad Kudiya, Senior Counsel, (202) 475-6358, or Mary Watkins, Senior Attorney, (202) 452-3722, Legal Division, Board of Governors of the Federal Reserve System, 20<sup>th</sup> Street and Constitution Avenue, NW, Washington, DC 20551. Users of Telecommunication Device for Deaf (TDD) only, call (202) 263-4869.

*FDIC:* Bobby R. Bean, Associate Director, [bbean@fdic.gov](mailto:bbean@fdic.gov); Benedetto Bosco, Chief, Capital Policy Section, [bbosco@fdic.gov](mailto:bbosco@fdic.gov); Noah Cuttler, Senior Policy Analyst, [ncuttler@fdic.gov](mailto:ncuttler@fdic.gov); [regulatorycapital@fdic.gov](mailto:regulatorycapital@fdic.gov); Capital Markets Branch, Division of Risk Management Supervision, (202) 898-6888; or Michael Phillips, Counsel, [mphillips@fdic.gov](mailto:mphillips@fdic.gov); Catherine Wood, Counsel, [cawood@fdic.gov](mailto:cawood@fdic.gov); Supervision and Legislation Branch, Legal Division, Federal Deposit Insurance Corporation, 550 17th Street NW, Washington, DC 20429. For the hearing impaired only, Telecommunication Device for the Deaf (TDD), (800) 925-4618.

**SUPPLEMENTARY INFORMATION:**

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### **I. Background**

Recent events have significantly and adversely impacted global financial markets. The spread of the Coronavirus Disease 2019 (COVID-2019) has slowed economic activity in many countries, including the United States. In particular, sudden disruptions in financial markets have put increasing liquidity pressure on money market mutual funds. Given these pressures, money market mutual funds have been faced with redemption requests from clients with immediate cash needs. The money market mutual funds may need to sell a significant number of assets to meet these redemption requests, which could further increase market pressures.

In order to prevent the disruption in the money markets from destabilizing the financial system, on March [X], 2020, the Board, with approval of the Secretary of the Treasury, authorized the Federal Reserve Bank of Boston to establish the MMLF, pursuant to section 13(3) of the Federal Reserve Act.<sup>1</sup> Under the MMLF, the Federal Reserve Bank of Boston will extend non-recourse loans to eligible borrowers to purchase assets from money market mutual funds.

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<sup>1</sup> 12 U.S.C. § 343(3).

Assets purchased from MMFs will be posted as collateral to the Federal Reserve Bank of Boston (eligible collateral). Eligible borrowers under the MMLF include certain banking organizations subject to the agencies' capital rule,<sup>2</sup> such as depository institutions and depository institution holding companies. Eligible collateral under the MMLF includes U.S. Treasuries and fully guaranteed agency securities, securities issued by government-sponsored enterprises, and certain types of commercial paper.

To facilitate this Federal Reserve lending program, the agencies are adopting this interim final rule to allow banking organizations to neutralize the effects of purchasing assets through the program on risk-based and leverage capital ratios.

### **III. The Interim Final Rule**

The agencies' capital rule requires banking organizations to comply with risk-based and leverage capital requirements, which are expressed as a ratio of regulatory capital to assets. Risk-based requirements are based on risk-weighted assets, whereas leverage requirements are based on a measure of total consolidated assets or total leverage exposure. Participation in the MMLF will affect the balance sheet of a banking organization because the banking organization must acquire and hold assets (that is, eligible collateral pledged to the Federal Reserve Bank of Boston) on its balance sheet. As a result, a banking organization that participates in the MMLF could potentially be subject to increased capital requirements.

The agencies have determined that the current leverage and risk-based capital requirements for the assets acquired by a banking organization as part of the MMLF do not reflect the substantial protections provided to the organization by the Federal Reserve Bank of

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<sup>2</sup> See 12 CFR 3 (OCC); 12 CFR 217 (Board); 12 CFR 324 (FDIC).



Boston in connection with the facility.<sup>3</sup> Because of the non-recourse nature of the Federal Reserve's extension of credit to the banking organization, the organization is not exposed to credit or market risk from the assets purchased by the banking organization and pledged to the Federal Reserve. Therefore, the agencies believe that it would be appropriate to exclude the effects of purchasing assets through the MMLF from a banking organization's regulatory capital.<sup>4</sup>

Specifically, the interim final rule would permit banking organizations to exclude non-recourse exposures acquired as part of the MMLF from a banking organization's total leverage exposure, average total consolidated assets, advanced approaches-total risk-weighted assets, and standardized total risk-weighted assets, as applicable.<sup>5</sup>

The agencies seek comment on all aspects of this interim final rule.

*Questions: Discuss the advantages and disadvantages of neutralizing the effects of participating in the MMLF on regulatory capital requirements. How does the proposed approach support the objectives of the facility? What other steps could be taken to support the objectives of the facility? How does the proposed approach sufficiently support the objectives of safety and soundness?*

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<sup>3</sup> On September 26, 2008, the Board published an interim final rule that provided the same regulatory capital treatment for assets purchased through the Asset-Backed Commercial Paper Money Market Mutual Fund Liquidity Facility. 73 Fed. Reg. 55706 (Sept. 26, 2008).

<sup>4</sup> This includes assets purchased beginning on March 19, 2020, and pledged to the Federal Reserve Bank of Boston in connection with this facility.

<sup>5</sup> This treatment would extend to the community bank leverage ratio.

## IV. Administrative Law Matters

### *A. Administrative Procedure Act*

The agencies are issuing the interim final rule without prior notice and the opportunity for public comment and the delayed effective date ordinarily prescribed by the Administrative Procedure Act (APA).<sup>6</sup> Pursuant to section 553(b)(B) of the APA, general notice and the opportunity for public comment are not required with respect to a rulemaking when an “agency for good cause finds (and incorporates the finding and a brief statement of reasons therefor in the rules issued) that notice and public procedure thereon are impracticable, unnecessary, or contrary to the public interest.”<sup>7</sup>

The agencies believe that the public interest is best served by implementing the interim final rule immediately upon publication in the Federal Register. As discussed above, the spread of COVID-19 has slowed economic activity in many countries, including the United States. In particular, sudden disruptions in financial markets have put increasing liquidity pressure on MMFs. Given these pressures, MMFs have been faced with redemption requests from clients with immediate cash needs. The MMFs may need to sell a significant number of assets to meet these redemption requests, which could further increase market pressures.

In order to prevent the disruption in the money markets from destabilizing the financial system, on March 18, 2020, the Board, with approval of the Secretary of the Treasury, authorized the Federal Reserve Bank of Boston to establish the MMLF, and this interim final rule will facilitate this Federal Reserve lending program. For these reasons, the agencies find that there is

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<sup>6</sup> 5 U.S.C. 553.

<sup>4</sup> 5 U.S.C. 553(b)(3)(A).

good cause consistent with the public interest to issue the rule without advance notice and comment.<sup>8</sup>

The APA also requires a 30-day delayed effective date, except for (1) substantive rules which grant or recognize an exemption or relieve a restriction; (2) interpretative rules and statements of policy; or (3) as otherwise provided by the agency for good cause.<sup>9</sup> Because the rules relieve a restriction, the interim final rule is exempt from the APA's delayed effective date requirement.<sup>10</sup>

While the agencies believe that there is good cause to issue the rule without advance notice and comment and with an immediate effective date, the agencies are interested in the views of the public and requests comment on all aspects of the interim final rule.

#### ***B. Congressional Review Act***

For purposes of Congressional Review Act, the OMB makes a determination as to whether a final rule constitutes a “major” rule.<sup>11</sup> If a rule is deemed a “major rule” by the Office of Management and Budget (OMB), the Congressional Review Act generally provides that the rule may not take effect until at least 60 days following its publication.<sup>12</sup>

The Congressional Review Act defines a “major rule” as any rule that the Administrator of the Office of Information and Regulatory Affairs of the OMB finds has resulted in or is likely to result in (A) an annual effect on the economy of \$100,000,000 or more; (B) a major increase

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<sup>8</sup> 5 U.S.C. 553(b)(B); 553(d)(3).

<sup>9</sup> 5 U.S.C. 553(d).

<sup>10</sup> 5 U.S.C. 553(d)(1).

<sup>11</sup> 5 U.S.C. 801 *et seq.*

<sup>12</sup> 5 U.S.C. 801(a)(3).

in costs or prices for consumers, individual industries, Federal, State, or local government agencies or geographic regions, or (C) significant adverse effects on competition, employment, investment, productivity, innovation, or on the ability of United States-based enterprises to compete with foreign-based enterprises in domestic and export markets.<sup>13</sup>

For the same reasons set forth above, the agencies are adopting the interim final rule without the delayed effective date generally prescribed under the Congressional Review Act. The delayed effective date required by the Congressional Review Act does not apply to any rule for which an agency for good cause finds (and incorporates the finding and a brief statement of reasons therefor in the rule issued) that notice and public procedure thereon are impracticable, unnecessary, or contrary to the public interest.<sup>14</sup> In light of current market uncertainty, the agencies believe that delaying the effective date of the rule would be contrary to the public interest.

As required by the Congressional Review Act, the agencies will submit the final rule and other appropriate reports to Congress and the Government Accountability Office for review.

### *C. Paperwork Reduction Act*

The Paperwork Reduction Act of 1995 (44 U.S.C. 3501-3521) (PRA) states that no agency may conduct or sponsor, nor is the respondent required to respond to, an information collection unless it displays a currently valid OMB control number. The interim final rule affects the agencies' current information collections for the Consolidated Reports of Condition and Income (Call Reports) (FFIEC 031, FFIEC 041, and FFIEC 051). The OMB control numbers for the agencies are: OCC OMB No. 1557-0081; Board OMB No. 7100-0036; and FDIC OMB No.

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<sup>13</sup> 5 U.S.C. 804(2).

<sup>14</sup> 5 U.S.C. 808.

3064-0052. The Board has reviewed this interim final rule pursuant to authority delegated by the OMB.

Although there is a substantive change to the actual calculation of total leverage exposure, total consolidated assets, standardized total risk-weighted assets, and advanced approaches total risk-weighted assets, as applicable, for purposes of the Call Reports, the change should be minimal and result in a zero net change in hourly burden under the agencies' information collections. Submissions will, however, be made by the agencies to OMB. The changes to the Call Reports and their related instructions will be addressed in a separate Federal Register notice. Similarly, the Board will address corresponding changes to the information collected on the FR Y-9C (FR Y-9; OMB No. 7100-0128) as part of a separate Federal Register notice.

#### ***D. Regulatory Flexibility Act***

The Regulatory Flexibility Act (RFA)<sup>15</sup> requires an agency to consider whether the rules it proposes will have a significant economic impact on a substantial number of small entities.<sup>16</sup> The RFA applies only to rules for which an agency publishes a general notice of proposed rulemaking pursuant to 5 U.S.C. 553(b). As discussed previously, consistent with section 553(b)(B) of the APA, the agencies have determined for good cause that general notice and opportunity for public comment is unnecessary, and therefore the agencies are not issuing a notice of proposed rulemaking. Accordingly, the agencies have concluded that the RFA's requirements relating to initial and final regulatory flexibility analysis do not apply.

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<sup>15</sup> 5 U.S.C. 601 et seq.

<sup>16</sup> Under regulations issued by the Small Business Administration, a small entity includes a depository institution, bank holding company, or savings and loan holding company with total assets of \$600 million or less and trust companies with total assets of \$41.5 million or less. See 13 CFR 121.201.

Nevertheless, the agencies seek comment on whether, and the extent to which, the interim final rule would affect a significant number of small entities.

***E. Riegle Community Development and Regulatory Improvement Act of 1994***

Pursuant to section 302(a) of the Riegle Community Development and Regulatory Improvement Act (RCDRIA),<sup>17</sup> in determining the effective date and administrative compliance requirements for new regulations that impose additional reporting, disclosure, or other requirements on insured depository institutions (IDIs), each Federal banking agency must consider, consistent with the principle of safety and soundness and the public interest, any administrative burdens that such regulations would place on depository institutions, including small depository institutions, and customers of depository institutions, as well as the benefits of such regulations. In addition, section 302(b) of RCDRIA requires new regulations and amendments to regulations that impose additional reporting, disclosures, or other new requirements on IDIs generally to take effect on the first day of a calendar quarter that begins on or after the date on which the regulations are published in final form, with certain exceptions, including for good cause.<sup>18</sup> For the reasons described above, the agencies find good cause exists under section 302 of RCDRIA to publish this interim final rule with an immediate effective date.

As such, the final rule will be effective on [INSERT DATE OF PUBLICATION IN THE FEDERAL REGISTER]. Nevertheless, the agencies seek comment on RCDRIA.

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<sup>17</sup> 12 U.S.C. 4802(a).

<sup>18</sup> 12 U.S.C. 4802.

### ***F. Use of Plain Language***

Section 722 of the Gramm-Leach-Bliley Act<sup>19</sup> requires the Federal banking agencies to use plain language in all proposed and final rules published after January 1, 2000. The agencies have sought to present the interim final rule in a simple and straightforward manner. The agencies invite comments on whether there are additional steps it could take to make the rule easier to understand. For example:

- Have we organized the material to suit your needs? If not, how could this material be better organized?
- Are the requirements in the regulation clearly stated? If not, how could the regulation be more clearly stated?
- Does the regulation contain language or jargon that is not clear? If so, which language requires clarification?
- • Would a different format (grouping and order of sections, use of headings, paragraphing) make the regulation easier to understand? If so, what changes to the format would make the regulation easier to understand? What else could we do to make the regulation easier to understand?

### ***G. Unfunded Mandates***

As a general matter, the Unfunded Mandates Act of 1995 (UMRA), 2 U.S.C. 1531 et seq., requires the preparation of a budgetary impact statement before promulgating a rule that includes a Federal mandate that may result in the expenditure by State, local, and tribal governments, in the aggregate, or by the private sector, of \$100 million or more in any one year. However, the UMRA does not apply to final rules for which a general notice of proposed rulemaking was not published. See 2 U.S.C. 1532(a). Therefore, because the OCC has found

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<sup>19</sup> 12 U.S.C. 4809.

good cause to dispense with notice and comment for this interim final rule, the OCC has not prepared an economic analysis of the rule under the UMRA.

### **List of Subjects**

### **Authority and Issuance**

For the reasons stated in the preamble, the Office of the Comptroller of the Currency amends Part 3 of chapter I of Title 12, Code of Federal Regulations as follows:

### **PART 3—CAPITAL ADEQUACY STANDARDS**

1. The authority citation for part 3 continues to read as follows:

Authority: 12 U.S.C. 93a, 161, 1462, 1462a, 1463, 1464, 1818, 1828(n), 1828 note, 1831n note, 1835, 3907, 3909, and 5412(b)(2)(B).

2. Section 302 is added to read as follows:

#### **§3.302 Exposures Related the Money Market Mutual Fund Liquidity Facility.**

Notwithstanding any other section of this part, a national bank or federal savings association may exclude exposures acquired pursuant to a non-recourse loan that is provided as part of the Money Market Mutual Fund Liquidity Facility, announced by the Board on March 18, 2020, from total leverage exposure, average total consolidated assets, advanced approaches total risk-weighted assets, and standardized total risk-weighted assets, as applicable. For the purpose of this provision, a national bank's or federal savings association's liability under the facility must be reduced by the purchase price of the assets acquired with funds advanced from the facility.



**PART 217—CAPITAL ADEQUACY OF BANK HOLDING COMPANIES,  
SAVINGS AND LOAN HOLDING COMPANIES, AND STATE MEMBER BANKS  
(REGULATION Q)**

**List of Subjects**

**12 CFR Part 217**

Administrative practice and procedure, Banks, Banking, Federal Reserve System, Holding companies, Reporting and recordkeeping requirements, Risk, Securities.

**Authority and Issuance**

For the reasons stated in the Supplementary Information, the Board of Governors of the Federal Reserve System amends 12 CFR chapter II as follows:

**PART 217—CAPITAL ADEQUACY OF BANK HOLDING COMPANIES, SAVINGS  
AND LOAN HOLDING COMPANIES, AND STATE MEMBER BANKS  
(REGULATION Q)**

1. The authority citation for part 217 continues to read as follows:

Authority: 12 U.S.C. 248(a), 321-338a, 481-486, 1462a, 1467a, 1818, 1828, 1831n, 1831o, 1831p-1, 1831w, 1835, 1844(b), 1851, 3904, 3906-3909, 4808, 5365, 5368, 5371 and 5371 note.

**Subpart G – Transition Provisions**

2. Add § 217.302 to read as follows:

**§217.302 Exposures Related the Money Market Mutual Fund Liquidity Facility.**

Notwithstanding any other section of this part, a Board-regulated institution may exclude exposures acquired pursuant to a non-recourse loan that is provided as part of the Money Market Mutual Fund Liquidity Facility, announced by the Board on March 18, 2020, from total

leverage exposure, average total consolidated assets, advanced approaches total risk-weighted assets, and standardized total risk-weighted assets, as applicable. For the purpose of this provision, a board-regulated institution's liability under the facility must be reduced by the purchase price of the assets acquired with funds advanced from the facility.\* \* \*

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## **Federal Deposit Insurance Corporation**

### **12 CFR Chapter III**

#### **Authority and Issuance**

For the reasons set forth in the joint preamble, chapter III of title 12 of the Code of Federal Regulations is amended as follows:

#### **PART 324—CAPITAL ADEQUACY OF FDIC-SUPERVISED INSTITUTIONS**

3. The authority citation for part 324 continues to read as follows:

Authority: 12 U.S.C. 1815(a), 1815(b), 1816, 1818(a), 1818(b), 1818(c), 1818(t), 1819(Tenth), 1828(c), 1828(d), 1828(i), 1828(n), 1828(o), 1831o, 1835, 3907, 3909, 4808; 5371; 5412; Pub. L. 102–233, 105 Stat. 1761, 1789, 1790 (12 U.S.C. 1831n note); Pub. L. 102–242, 105 Stat. 2236, 2355, as amended by Pub. L. 103–325, 108 Stat. 2160, 2233 (12 U.S.C. 1828 note); Pub. L. 102–242, 105 Stat. 2236, 2386, as amended by Pub. L. 102–550, 106 Stat. 3672, 4089 (12 U.S.C. 1828 note); Pub. L. 111–203, 124 Stat. 1376, 1887 (15 U.S.C. 78o–7 note).

4. Section 302 is added to read as follows:

#### **§324.302 Exposures Related the Money Market Mutual Fund Liquidity Facility.**

Notwithstanding any other section of this part, an FDIC-supervised institution may exclude exposures acquired pursuant to a non-recourse loan that is provided as part of the Money Market Mutual Fund Liquidity Facility, announced by the Federal Reserve on March 18, 2020, from

total leverage exposure, average total consolidated assets, advanced approaches total risk-weighted assets, and standardized total risk-weighted assets, as applicable. For the purpose of this provision, an FDIC-supervised institution's liability under the facility must be reduced by the purchase price of the assets acquired with funds advanced from the facility.

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Morris R. Morgan,  
First Deputy Comptroller,

*Comptroller of the Currency.*

By order of the Board of Governors of the Federal Reserve System.

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Ann E. Misback,  
*Secretary of the Board.*

Federal Deposit Insurance Corporation.  
By order of the Board of Directors.  
Dated at Washington, DC, on March 16, 2020.

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***Robert E. Feldman,***  
*Executive Secretary.*