

**FEDERAL RESERVE SYSTEM**

**12 CFR Ch. II**

**Semiannual Regulatory Flexibility Agenda**

**AGENCY:** Board of Governors of the Federal Reserve System.

**ACTION:** Semiannual regulatory agenda.

**SUMMARY:** The Board is issuing this agenda under the Regulatory Flexibility Act and the Board’s Statement of Policy Regarding Expanded Rulemaking Procedures. The Board anticipates having under consideration regulatory matters as indicated below during the period May 1, 2014 through October 31, 2014. The next agenda will be published in fall 2014.

**DATES:** Comments about the form or content of the agenda may be submitted any time during the next 6 months.

**ADDRESSES:** Comments should be addressed to Robert deV. Frierson, Secretary of the Board, Board of Governors of the Federal Reserve System, Washington, DC 20551.

**FOR FURTHER INFORMATION CONTACT:** A staff contact for each item is indicated with the regulatory description below.

**SUPPLEMENTARY INFORMATION:** The Board is publishing its spring 2014 agenda as part of the Spring 2014 Unified Agenda of Federal Regulatory and Deregulatory Actions, which is coordinated by the Office of Management and Budget under Executive Order 12866. The agenda also identifies rules the Board has selected for review under section 610(c) of the Regulatory Flexibility Act, and public comment is invited on those entries. The complete Unified Agenda will be available to the public at the following Web site: [www.reginfo.gov](http://www.reginfo.gov). Participation

by the Board in the Unified Agenda is on a voluntary basis.

The Board’s agenda is divided into four sections. The first, Prerule Stage, reports on matters the Board is considering for future rulemaking. The second section, Proposed Rule Stage, reports on matters the Board may consider for public comment during the next 6 months. The third section, Final Rule Stage, reports on matters that have been proposed and are under Board consideration. And a fourth section, Completed Actions, reports on regulatory matters the Board has completed or is not expected to consider further.

A dot (•) preceding an entry indicates a new matter that was not a part of the Board’s previous agenda and which the Board has not completed.

**Margaret McCloskey Shanks,**  
*Deputy Secretary of the Board.*

**FEDERAL RESERVE SYSTEM—PROPOSED RULE STAGE**

Sequence No.	Title	Regulation Identifier No.
391 .....	Regulations H and Q—Regulatory Capitol Rules (Docket No: R-1460) .....	7100-AD99
392 .....	Regulation P—Privacy of Consumer Information (Docket No: R-1483) .....	7100-AE13
393 .....	Regulation V—Fair Credit Reporting (Docket No: R-1484) .....	7100-AE14
394 .....	Regulation CC—Availability of Funds and Collection of Checks (Docket No: R-1409) .....	7100-AD68
395 .....	Regulation HH—Financial Market Utilities (Docket No: R-1477) .....	7100-AE09
396 .....	Regulation WW—Liquidity Coverage Ratio: Liquidity Risk Measurement, Standards, and Monitoring (Docket No: R-1466).	7100-AE03

**FEDERAL RESERVE SYSTEM—FINAL RULE STAGE**

Sequence No.	Title	Regulation Identifier No.
397 .....	Regulation KK—Margin and Capital Requirements for Covered Swap Entities (Docket No: R-1415) .....	7100-AD74
398 .....	Regulation LL—Savings and Loan Holding Companies and Regulation MM—Mutual Holding Companies (Docket No: R-1429).	7100-AD80

**FEDERAL RESERVE SYSTEM (FRS)**

Proposed Rule Stage

**391. Regulations H and Q—Regulatory Capitol Rules (Docket No: R-1460)**

*Legal Authority:* 12 U.S.C. 1344(b); 12 U.S.C. 329; 12 U.S.C. 3907; 12 U.S.C. 3909; . . .

*Abstract:* The Office of the Comptroller of the Currency (OCC), the Board of Governors of the Federal Reserve System (Board), and the Federal Deposit Insurance Corporation (FDIC) (collectively, the Agencies) are seeking comment on a proposal that would strengthen the agencies’ leverage ratio standards for large, interconnected U.S. banking organizations. The proposal would apply to any U.S. top-tier bank holding company (BHC) with at least \$700 billion in total consolidated assets

or at least \$10 trillion in assets under custody (covered BHC) and any insured depository institution (IDI) subsidiary of these BHCs. In the revised capital approaches adopted by the agencies in July, 2013 (2013 revised capital approaches), the agencies established a minimum supplementary leverage ratio of 3 percent (supplementary leverage ratio), consistent with the minimum leverage ratio adopted by the Basel Committee on Banking Supervision (BCBS), for banking organizations subject to the advanced approaches risk-based capital rules. In this notice of proposed rulemaking (proposal or proposed rule), the agencies are proposing to establish a “well capitalized” threshold of 6 percent for the supplementary leverage ratio for any IDI that is a subsidiary of a covered BHC, under the agencies’ prompt

corrective action (PCA) framework. The Board also proposes to establish a new leverage buffer for covered BHCs above the minimum supplementary leverage ratio requirement of 3 percent (leverage buffer). The leverage buffer would function like the capital conservation buffer for the risk-based capital ratios in the 2013 revised capital approaches. A covered BHC that maintains a leverage buffer of tier 1 capital in an amount great than 2 percent of its total leverage exposure would not be subject to limitations on distributions and discretionary bonus payments. The proposal would take effect beginning on January 1, 2018. The agencies seek comment on all aspects of this proposal.

*Timetable:*

Action	Date	FR Cite
Board Requested Comment.	08/20/13	78 FR 51101
Board Expects Further Action.	06/00/14	

*Regulatory Flexibility Analysis Required: Yes.*

*Agency Contact:* Benjamin McDonough, Senior Counsel, Federal Reserve System, Legal Division, *Phone:* 202 452-2036.

April C. Snyder, Senior Counsel, Federal Reserve System, Legal Division, *Phone:* 202 452-3099.

*RIN:* 7100-AD99

**392. • Regulation P—Privacy of Consumer Information (Docket No: R-1483)**

*Legal Authority:* 12 U.S.C. 5581(b)

*Abstract:* The Board of Governors of the Federal Reserve System (Board) is proposing to repeal its Regulation P, 12 CFR part 216, which was issued to implement section 504 of the Gramm-Leach-Bliley Act (GLB Act). Title X of the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act) transferred rulemaking authority for a number of consumer financial protection laws from the Board, and six other Federal agencies, to the Bureau of Consumer Financial Protection (Bureau), including rulemaking authority for the provisions in Subtitle A of Title V of the GLB Act that were implemented in the Board's Regulation P. In December 2011, the Bureau published an interim final rule establishing its own Regulation P to implement these provisions of the GLB Act (Bureau Interim Final Rule). The Bureau's Regulation P covers those entities previously subject to the Board's Regulation P.

*Timetable:*

Action	Date	FR Cite
Board Requested Comments.	02/14/14	79 FR 8904
Board Expects Further Action.	11/00/14	

*Regulatory Flexibility Analysis Required: Yes.*

*Agency Contact:* Kara Handzlik, Counsel, Federal Reserve System, Legal Division, *Phone:* 202 452-3139.

Vivian W. Wong, Counsel, Federal Reserve System, *Phone:* 202 452-3667.

*RIN:* 7100-AE13

**393. • Regulation V—Fair Credit Reporting (Docket No: R-1484)**

*Legal Authority:* 12 U.S.C. 1681(m)

*Abstract:* The Board of Governors of the Federal Reserve System is proposing

to amend its Identity Theft Red Flags rule, which implements section 615(e) of the Fair Credit Reporting Act (FCRA). The Red Flag Program Clarification Act of 2010 (Clarification Act) added a definition of "creditor" in FCRA section 615(e) that is specific to section 615(e). Accordingly, the proposed rule would amend the definition of "creditor" in the Identity Theft Red Flags rule to reflect the definition of that term as added by the statute. The proposed rule would also update a cross-reference in the Identity Theft Red Flags rule to reflect a statutory change in rulemaking authority.

*Timetable:*

Action	Date	FR Cite
Board Requested Comments.	02/20/14	79 FR 9645
Board Expects Further Action.	11/00/14	

*Regulatory Flexibility Analysis Required: Yes.*

*Agency Contact:* Kara Handzlik, Counsel, Federal Reserve System, Legal Division, *Phone:* 202 452-3139.

Vivian Wong, Attorney, Federal Reserve System, Division of Consumer and Community Affairs, *Phone:* 202 452-3667.

*RIN:* 7100-AE14

**394. Regulation CC—Availability of Funds and Collection of Checks (Docket No: R-1409)**

*Legal Authority:* 12 U.S.C. 4001 to 4010; 12 U.S.C. 5001 to 5018

*Abstract:* The Federal Reserve Board (the Board) proposed amendments to Regulation CC to facilitate the banking industry's ongoing transition to fully electronic interbank check collection and return, including proposed amendments to condition a depository bank's right of expeditious return on the depository bank agreeing to accept returned checks electronically either directly or indirectly from the paying bank. The Board also proposed amendments to the funds availability schedule provisions to reflect the fact that there are no longer any nonlocal checks. The Board proposed to revise the model forms in appendix C that banks may use in disclosing their funds availability policies to their customers and to update the preemption determinations in appendix F. Finally, the Board requested comment on whether it should consider future changes to the regulation to improve the check collection system, such as decreasing the time afforded to a paying bank to decide whether to pay a check in order to reduce the risk to a

depository bank of needing to make funds available for withdrawal before learning whether a deposited check has been returned unpaid.

*Timetable:*

Action	Date	FR Cite
Board Requested Comment.	03/25/11	76 FR 16862
Board Requested Comment on Revised Proposal.	02/04/14	79 FR 6673
Board Expects Further Action.	12/00/14	

*Regulatory Flexibility Analysis Required: Yes.*

*Agency Contact:* Clinton Chen, Attorney, Federal Reserve System, Legal Division, *Phone:* 202 452-3952.

*RIN:* 7100-AD68

**395. • Regulation HH—Financial Market Utilities (Docket No: R-1477)**

*Legal Authority:* 12 U.S.C. 5464 (a)(1)(A)

*Abstract:* Notice of proposed rulemaking to amend the risk-management standards currently in the Board's Regulation HH, Part 234 of Title 12 of the Code of Federal Regulations, by replacing the current risk-management standards in section 234.3 (for payment systems) and section 234.4 (for central securities depositories and central counterparties) with a common set of risk-management standards applicable to all types of designated FMU s in proposed section 234.3.

*Timetable:*

Action	Date	FR Cite
Board Requested Comments.	01/31/14	79 FR 3666
Board Expects Further Action.	06/00/14	

*Regulatory Flexibility Analysis Required: Yes.*

*Agency Contact:* Jennifer A. Lucier, Assistant Director, Federal Reserve System, Reserve Bank Operations and Payment Systems, *Phone:* 202 872-7581.

Chris Clubb, Special Counsel, Federal Reserve System, Legal Division, *Phone:* 202 452-3904.

*RIN:* 7100-AE09

**396. • Regulation WW—Liquidity Coverage Ratio: Liquidity Risk Measurement, Standards, and Monitoring (Docket No: R-1466)**

*Legal Authority:* 12 U.S.C. 248(a); 12 U.S.C. 321; 12 U.S.C. 481; 12 U.S.C. 1818; . . .

*Abstract:* The Office of the Comptroller of the Currency (OCC), the

Board of Governors of the Federal Reserve System (Board), and the Federal Deposit Insurance Corporation (FDIC) are requesting comment on a proposed rule (proposed rule) that would implement a quantitative liquidity requirement consistent with the liquidity coverage ratio standard established by the Basel Committee on Banking Supervision. The requirement is designed to promote the short-term resilience of the liquidity risk profile of internationally active banking organizations, thereby improving the banking sector's ability to absorb shocks arising from financial and economic stress, as well as improvements in the measurement and management of liquidity risk. The proposed rule would apply to all internationally active banking organizations, generally, bank holding companies, certain savings and loan holding companies, and depository institutions with more than \$250 billion in total assets or more than \$10 billion in on-balance sheet foreign exposure, and to their consolidated subsidiaries that are depository institutions with \$10 billion or more in total consolidated assets. The proposed rule would also apply to companies designated for supervision by the Board by the Financial Stability Oversight Council under section 113 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (12 U.S.C. 5323) that do not have significant insurance operations and to their consolidated subsidiaries that are depository institutions with \$10 billion or more in total consolidated assets. The Board also is proposing on its own a modified liquidity coverage ratio standard that is based on a 21-calendar day stress scenario rather than a 30-calendar day stress scenario for bank holding companies and savings and loan holding companies without significant insurance or commercial operations that, in each case, have \$50 billion or more in total consolidated assets.

*Timetable:*

Action	Date	FR Cite
Board Requested Comment.	11/29/13	78 FR 71818
Board Expects Further Action.	09/00/14	

*Regulatory Flexibility Analysis Required: Yes.*

*Agency Contact:* Anna Lee Hewko, Deputy Associate Director, Federal Reserve System, Division of Banking Supervision and Regulation, *Phone:* 202 530-6260.

David Emmel, Manager, Federal Reserve System, Banking Supervision and Regulation, *Phone:* 202 912-4612.

April C. Snyder, Senior Counsel, Federal Reserve System, Legal Division, *Phone:* 202 452-3099.  
*RIN:* 7100-AE03

**FEDERAL RESERVE SYSTEM (FRS)**

Final Rule Stage

**397. Regulation KK—Margin and Capital Requirements for Covered Swap Entities (Docket No: R-1415)**

*Legal Authority:* 7 U.S.C. 6s; 15 U.S.C. 780-10

*Abstract:* The Office of the Comptroller of the Currency, the Federal Reserve Board, the Federal Deposit Insurance Corporation, the Farm Credit Administration, and the Federal Housing Finance Agency (the Agencies) are requesting comment on a proposal to establish minimum margin and capital requirements for registered 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. This proposed rule implements sections 731 and 764 of the Dodd-Frank Wall Street Reform and Consumer Protection Act, which require the Agencies to adopt rules jointly to establish capital requirements and initial and variation margin requirements for such entities on all non-cleared swaps and non-cleared security-based swaps in order to offset the greater risk to such entities and the financial system arising from the use of swaps and security-based swaps that are not cleared.

*Timetable:*

Action	Date	FR Cite
Board Requested Comment.	04/12/11	76 FR 27564
Comment Period End.	07/11/11	76 FR 37029
Board Reopened Comment Period.	10/02/12	77 FR 60057
Board Expects Further Action.	06/00/14	

*Regulatory Flexibility Analysis Required: Yes.*

*Agency Contact:* Victoria Szybillo, Counsel, Federal Reserve System, Legal Division, *Phone:* 202 475-6325.

Stephanie Martin, Associate General Counsel, Federal Reserve System, Legal Division, *Phone:* 202 452-3198.

Anna Harrington, Senior Attorney, Federal Reserve System, Federal

Reserve System, Legal Division, *Phone:* 202 452-6406  
*RIN:* 7100-AD74

**398. Regulation LL—Savings and Loan Holding Companies and Regulation MM—Mutual Holding Companies (Docket No: R-1429)**

*Legal Authority:* 5 U.S.C. 552; 5 U.S.C. 559; 5 U.S.C. 1813; 5 U.S.C. 1817; 5 U.S.C. 1828; . . .

*Abstract:* The Dodd-Frank Act Wall Street Reform and Consumer Protection Act (the Act) transferred responsibility for supervision of Savings and Loan Holding Companies (SLHCs) and their non-depository subsidiaries from the Office of Thrift Supervision (OTS) to the Board of Governors of the Federal Reserve System (Board), on July 21, 2011. The Act also transferred supervisory functions related to Federal savings associations and State savings associations to the Office of the Comptroller of the Currency (OCC) and the Federal Deposit Insurance Corporation (FDIC), respectively.

The Board on August 12, 2011, approved an interim final rule for SLHCs, including a request for public comment. The interim final rule transferred from the OTS to the Board the regulations necessary for the Board to supervise SLHCs, with certain technical and substantive modifications. The interim final rule has three components: (1) New Regulation LL (part 238), which sets forth regulations generally governing SLHCs; (2) new Regulation MM (part 239), which sets forth regulations governing SLHCs in mutual form; and (3) technical amendments to existing Board regulations necessary to accommodate the transfer of supervisory authority for SLHCs from the OTS to the Board.

The structure of interim final Regulation LL closely follows that of the Board's Regulation Y, which governs bank holding companies, in order to provide an overall structure to rules that were previously found in disparate locations. In many instances interim final Regulation LL incorporated OTS regulations with only technical modifications to account for the shift in supervisory responsibility from the OTS to the Board. Interim final Regulation LL also reflects statutory changes made by the Dodd-Frank Act with respect to SLHCs, and incorporates Board precedent and practices with respect to applications processing procedures and control issues, among other matters.

Interim final Regulation MM organized existing OTS regulations governing SLHCs in mutual form (MHCs) and their subsidiary holding companies into a single part of the

Board's regulations. In many instances interim final Regulation MM incorporated OTS regulations with only technical modifications to account for the shift in supervisory responsibility from the OTS to the Board. Interim final Regulation MM also reflects statutory changes made by the Dodd-Frank Act with respect to MHCs.

The interim final rule also made technical amendments to Board rules to facilitate supervision of SLHCs, including to rules implementing Community Reinvestment Act requirements and to Board procedural and administrative rules. In addition,

the Board made technical amendments to implement section 312(b)(2)(A) of the Act, which transfers to the Board all rulemaking authority under section 11 of the Home Owner's Loan Act relating to transactions with affiliates and extensions of credit to executive officers, directors, and principal shareholders. These amendments include revisions to parts 215 (Insider Transactions) and part 223 (Transactions with Affiliates) of Board regulations.

*Timetable:*

Action	Date	FR Cite
Board Requested Comment.	09/13/11	76 FR 56508
Board Expects Further Action.	07/00/14	

*Regulatory Flexibility Analysis Required: Yes.*

*Agency Contact:* Claudia Von Pervieux, Counsel, Federal Reserve System, Legal Division, *Phone:* 202 452-2552.

*RIN:* 7100-AD80

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Part XXVI

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Semiannual Regulatory Agenda