

## PART 201—EXTENSIONS OF CREDIT BY FEDERAL RESERVE BANKS (REGULATION A)

■ 1. The authority citation for part 201 continues to read as follows:

**Authority:** 12 U.S.C. 248(i)–(j), 343 *et seq.*, 347a, 347b, 347c, 348 *et seq.*, 357, 374, 374a, and 461.

■ 2. In § 201.51, paragraphs (a) and (b) are revised to read as follows:

### § 201.51 Interest rates applicable to credit extended by a Federal Reserve Bank.<sup>3</sup>

(a) *Primary credit.* The interest rate at each Federal Reserve Bank for primary credit provided to depository institutions under § 201.4(a) is 3.25 percent.

(b) *Secondary credit.* The interest rate at each Federal Reserve Bank for secondary credit provided to depository institutions under § 201.4(b) is 3.75 percent.

\* \* \* \* \*

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

**Ann E. Misback,**

*Secretary of the Board.*

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## FEDERAL RESERVE SYSTEM

### 12 CFR Part 204

[Docket No. R–1781; RIN 7100–AG39]

### Regulation D: Reserve Requirements of Depository Institutions

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

**ACTION:** Final rule.

**SUMMARY:** The Board of Governors of the Federal Reserve System (“Board”) has adopted final amendments to its Regulation D to revise the rate of interest paid on balances (“IORB”) maintained at Federal Reserve Banks by or on behalf of eligible institutions. The final amendments specify that IORB is 3.15 percent, a 0.75 percentage point increase from its prior level. The amendment is intended to enhance the role of IORB in maintaining the federal funds rate in the target range established by the Federal Open Market Committee (“FOMC” or “Committee”).

#### DATES:

**Effective date:** The amendments to part 204 (Regulation D) are effective October 7, 2022.

<sup>3</sup> The primary, secondary, and seasonal credit rates described in this section apply to both advances and discounts made under the primary, secondary, and seasonal credit programs, respectively.

**Applicability date:** The IORB rate change was applicable on September 22, 2022.

**FOR FURTHER INFORMATION CONTACT:** M. Benjamin Snodgrass, Senior Counsel (202–263–4877), Legal Division, or Kristen Payne, Lead Financial Institution & Policy Analyst (202–452–2872), or Margaret DeBoer, Senior Associate Director (202–452–3139), Division of Monetary Affairs; for users of telephone systems via text telephone (TTY) or any TTY-based Telecommunications Relay Services (TRS), please call 711 from any telephone, anywhere in the United States; Board of Governors of the Federal Reserve System, 20th and C Streets NW, Washington, DC 20551.

#### SUPPLEMENTARY INFORMATION:

### I. Statutory and Regulatory Background

For monetary policy purposes, section 19 of the Federal Reserve Act (“Act”) imposes reserve requirements on certain types of deposits and other liabilities of depository institutions.<sup>1</sup> Regulation D, which implements section 19 of the Act, requires that a depository institution meet reserve requirements by holding cash in its vault, or if vault cash is insufficient, by maintaining a balance in an account at a Federal Reserve Bank (“Reserve Bank”).<sup>2</sup> Section 19 also provides that balances maintained by or on behalf of certain institutions in an account at a Reserve Bank may receive earnings to be paid by the Reserve Bank at least once each quarter, at a rate or rates not to exceed the general level of short-term interest rates.<sup>3</sup> Institutions that are eligible to receive earnings on their balances held at Reserve Banks (“eligible institutions”) include depository institutions and certain other institutions.<sup>4</sup> Section 19 also provides that the Board may prescribe regulations concerning the payment of earnings on balances at a Reserve Bank.<sup>5</sup> Prior to these amendments, Regulation D established IORB at 2.40 percent.<sup>6</sup>

### II. Amendment to IORB

The Board is amending § 204.10(b)(1) of Regulation D to establish IORB at 3.15 percent. The amendment represents a 0.75 percentage point increase in IORB. This decision was announced on September 21, 2022, with an effective

<sup>1</sup> 12 U.S.C. 461(b). In March 2020, the Board set all reserve requirement ratios to zero percent. See Interim Final Rule, 85 FR 16525 (Mar. 24, 2020); Final Rule, 86 FR 8853 (Feb. 10, 2021).

<sup>2</sup> 12 CFR 204.5(a)(1).

<sup>3</sup> 12 U.S.C. 461(b)(1)(A) and (b)(12)(A).

<sup>4</sup> See 12 U.S.C. 461(b)(1)(A) & (b)(12)(C); see also 12 CFR 204.2(y).

<sup>5</sup> See 12 U.S.C. 461(b)(12)(B).

<sup>6</sup> See 12 CFR 204.10(b)(1).

date of September 22, 2022, in the Federal Reserve Implementation Note that accompanied the FOMC’s statement on September 21, 2022. The FOMC statement stated that the Committee decided to raise the target range for the federal funds rate to 3 to 3¼ percent.

The Federal Reserve Implementation Note stated:

The Board of Governors of the Federal Reserve System voted unanimously to raise the interest rate paid on reserve balances to 3.15 percent, effective September 22, 2022.

As a result, the Board is amending § 204.10(b)(1) of Regulation D to establish IORB at 3.15 percent.

### III. Administrative Procedure Act

In general, the Administrative Procedure Act (“APA”)<sup>7</sup> imposes three principal requirements when an agency promulgates legislative rules (rules made pursuant to Congressionally-delegated authority): (1) publication with adequate notice of a proposed rule; (2) followed by a meaningful opportunity for the public to comment on the rule’s content; and (3) publication of the final rule not less than 30 days before its effective date. The APA provides that notice and comment procedures do not apply if the agency for good cause finds them to be “unnecessary, impracticable, or contrary to the public interest.”<sup>8</sup> Section 553(d) of the APA also provides that publication at least 30 days prior to a rule’s effective date is not required for (1) a substantive rule which grants or recognizes an exemption or relieves a restriction; (2) interpretive rules and statements of policy; or (3) a rule for which the agency finds good cause for shortened notice and publishes its reasoning with the rule.<sup>9</sup>

The Board has determined that good cause exists for finding that the notice, public comment, and delayed effective date provisions of the APA are unnecessary, impracticable, or contrary to the public interest with respect to these final amendments to Regulation D. The rate change for IORB that is reflected in the final amendment to Regulation D was made with a view towards accommodating commerce and business and with regard to their bearing upon the general credit situation of the country. Notice and public comment would prevent the Board’s action from being effective as promptly as necessary in the public interest and would not otherwise serve any useful purpose. Notice, public comment, and a delayed effective date would create

<sup>7</sup> 5 U.S.C. 551 *et seq.*

<sup>8</sup> 5 U.S.C. 553(b)(3)(A).

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

uncertainty about the finality and effectiveness of the Board’s action and undermine the effectiveness of that action. Accordingly, the Board has determined that good cause exists to dispense with the notice, public comment, and delayed effective date procedures of the APA with respect to this final amendment to Regulation D.

**IV. Regulatory Flexibility Analysis**

The Regulatory Flexibility Act (“RFA”) does not apply to a rulemaking where a general notice of proposed rulemaking is not required.<sup>10</sup> As noted previously, the Board has determined that it is unnecessary and contrary to the public interest to publish a general notice of proposed rulemaking for this final rule. Accordingly, the RFA’s requirements relating to an initial and final regulatory flexibility analysis do not apply.

**V. Paperwork Reduction Act**

In accordance with the Paperwork Reduction Act (“PRA”) of 1995,<sup>11</sup> the Board reviewed the final rule under the authority delegated to the Board by the Office of Management and Budget. The final rule contains no requirements subject to the PRA.

**List of Subjects in 12 CFR Part 204**

Banks, Banking, Reporting and recordkeeping requirements.

**Authority and Issuance**

For the reasons set forth in the preamble, the Board amends 12 CFR part 204 as follows:

**PART 204—RESERVE REQUIREMENTS OF DEPOSITORY INSTITUTIONS (REGULATION D)**

- 1. The authority citation for part 204 continues to read as follows:

**Authority:** 12 U.S.C. 248(a), 248(c), 461, 601, 611, and 3105.

- 2. Section 204.10 is amended by revising paragraph (b)(1) to read as follows:

**§ 204.10 Payment of interest on balances.**

\* \* \* \* \*  
(b) \* \* \*

(1) For balances maintained in an eligible institution’s master account, interest is the amount equal to the interest on reserve balances rate (“IORB rate”) on a day multiplied by the total balances maintained on that day. The IORB rate is 3.15 percent.

\* \* \* \* \*

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

**Ann E. Misback,**

*Secretary of the Board.*

[FR Doc. 2022–21833 Filed 10–6–22; 8:45 am]

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**FEDERAL FINANCIAL INSTITUTIONS EXAMINATION COUNCIL**

**12 CFR Part 1102**

[Docket No. AS22–06]

**Appraisal Subcommittee; Appraiser Regulation; Temporary Waiver Requests**

**AGENCY:** Appraisal Subcommittee of the Federal Financial Institutions Examination Council.

**ACTION:** Final rule.

**SUMMARY:** The Appraisal Subcommittee (ASC) of the Federal Financial Institutions Examination Council (FFIEC) is adopting a final rule to amend rules of practice and procedure governing temporary waiver proceedings which were promulgated in 1992 pursuant to Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989, as amended (Title XI).

**DATES:** This final rule is effective on December 6, 2022.

**FOR FURTHER INFORMATION CONTACT:** Lori Schuster, Management and Program Analyst, *lori@asc.gov*, or Alice M. Ritter, General Counsel, *alice@asc.gov*, ASC, 1325 G Street NW, Suite 500, Washington, DC 20005.

**SUPPLEMENTARY INFORMATION:**

**I. Background**

The purpose of Title XI<sup>1</sup> is “to provide that Federal financial and public policy interests in real estate related transactions will be protected by requiring that real estate appraisals utilized in connection with federally related transactions [FRTs] are performed in writing, in accordance with uniform standards, by individuals whose competency has been demonstrated and whose professional

<sup>1</sup> Title XI established the ASC. The ASC Board consists of seven members. Five members are designated by the heads of the FFIEC federal member agencies (Board of Governors of the Federal Reserve System [Board], Bureau of Consumer Financial Protection [Bureau], Federal Deposit Insurance Corporation [FDIC], Office of the Comptroller of the Currency [OCC], and National Credit Union Administration [NCUA]). The other two members are designated by the heads of the Department of Housing and Urban Development (HUD) and the Federal Housing Finance Agency (FHFA).

conduct will be subject to effective supervision.”<sup>2</sup>

As directed by Title XI, the Federal financial institutions regulatory agencies’ appraisal regulations require appraisals for FRTs to meet minimum appraisal standards as evidenced by the *Uniform Standards of Professional Appraisal Practice* (USPAP) promulgated by the Appraisal Standards Board (ASB) of the Appraisal Foundation.<sup>3</sup> Title XI also requires that certified and licensed appraisers meet the minimum qualification criteria as set forth in *The Real Property Appraiser Qualification Criteria* (AQB Criteria) issued by the Appraiser Qualifications Board (AQB) of the Appraisal Foundation.<sup>4</sup> The State appraiser regulatory agencies enforce these federal minimum requirements for credentialed appraisers in their respective States and are subject to federal oversight by the ASC.<sup>5</sup>

Section 1119(b) of Title XI authorizes the ASC to waive, on a temporary basis, subject to approval of the FFIEC any requirement relating to certification or licensing of a person to perform appraisals under Title XI if the ASC or a State appraiser regulatory agency makes a written determination that there is a scarcity of certified or licensed appraisers to perform appraisals in connection with FRTs in a State, or in any geographical political subdivision of a State, leading to significant delays in the performance of such appraisals. A waiver terminates when the ASC determines that such significant delays have been eliminated.<sup>6</sup>

Congress intended that the ASC exercise this waiver authority “cautiously.”<sup>7</sup>

The ASC published rules of practice and procedure governing temporary waiver proceedings in 1992.<sup>8</sup> The ASC has ordered temporary waiver relief on two occasions. The first was for the Commonwealth of the Northern Mariana

<sup>2</sup> Title XI section 1101. *See also*, 12 U.S.C. 3331.

<sup>3</sup> Title XI section 1110, 12 U.S.C. 3339, implemented by the Office of the Comptroller of the Currency: 12 CFR 34.44; Federal Reserve Board: 12 CFR 225.64; Federal Deposit Insurance Corporation: 12 CFR 323.4; and National Credit Union Administration: 12 CFR 722.4.

<sup>4</sup> Title XI section 1116(a) and (c). *See also*, 12 U.S.C. 3345(a) and (c).

<sup>5</sup> Title XI section 1118. *See also*, 12 U.S.C. 3347. “State appraiser regulatory agencies” are referred to in the final rule as “State Appraisal Agencies.”

<sup>6</sup> Title XI section 1119(b). *See also*, 12 U.S.C. 3348(b).

<sup>7</sup> House Comm. on Banking, Finance and Urban Affairs, Report Together with Additional Supplemental, Minority, Individual, and Dissenting Views, Financial Institutions Reform, Recovery, and Enforcement Act of 1989, H.R. Rep. No. 101–54 Part 1, 101st Cong., 1st Sess., at 482–83.

<sup>8</sup> 12 CFR part 1102, subpart A.

<sup>10</sup> 5 U.S.C. 603, 604.

<sup>11</sup> 44 U.S.C. 3506; see 5 CFR part 1320 Appendix A.1.