

**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 November 1, 2014, through April 30, 2015. The next agenda will be published in spring 2015.

**DATES:** Comments about the form or content of the agenda may be submitted anytime during the next six 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 fall 2014 agenda as part of the Fall 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, Pre-rule 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 six 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.

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

**FEDERAL RESERVE SYSTEM—PROPOSED RULE STAGE**

Sequence No.	Title	Regulation Identifier No.
545 .....	Regulation CC—Availability of Funds and Collection of Checks (Docket No: R-1409) .....	7100-AD68

**FEDERAL RESERVE SYSTEM—FINAL RULE STAGE**

Sequence No.	Title	Regulation Identifier No.
546 .....	Regulation HH—Financial Market Utilities (Docket No: R-1477) .....	7100-AE09
547 .....	Regulation LL—Savings and Loan Holding Companies and Regulation MM—Mutual Holding Companies (Docket No: R-1429).	7100-AD80
548 .....	Regulation WW—Liquidity Coverage Ratio: Liquidity Risk Measurement, Standards, and Monitoring (Docket No: R-1466).	7100-AE03

**FEDERAL RESERVE SYSTEM—COMPLETED ACTIONS**

Sequence No.	Title	Regulation Identifier No.
549 .....	Regulation KK—Margin and Capital Requirements for Covered Swap Entities (Docket No: R-1415) .....	7100-AD74
550 .....	Regulations H and Q—Regulatory Capital Rules (Docket No: R-1460) .....	7100-AD99
551 .....	Regulation P—Privacy of Consumer Information (Docket No: R-1483) .....	7100-AE13
552 .....	Regulation V—Fair Credit Reporting (Docket No: R-1484) .....	7100-AE14

**FEDERAL RESERVE SYSTEM (FRS)**

Proposed Rule Stage

**545. 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.	03/00/15	

*Regulatory Flexibility Analysis Required: Yes.*

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

*RIN:* 7100-AD68

## FEDERAL RESERVE SYSTEM (FRS)

Final Rule Stage

### 546. Regulation HH—Financial Market Utilities (Docket No: R-1477)

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

*Abstract:* The Federal Reserve Board (Board) is in the process of finalizing amendments to 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 FMUs in proposed section 234.3. The Board is also in the process of finalizing related amendments to definitions in section 234.2.

*Timetable:*

Action	Date	FR Cite
Board Requested Comments.	01/31/14	79 FR 3666
Board Expects Further Action.	11/00/14	

*Regulatory Flexibility Analysis Required: Yes.*

*Agency Contact:* Jennifer A. Lucier, Deputy Associate 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

### 547. 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.	12/00/14	

*Regulatory Flexibility Analysis Required: Yes.*

*Agency Contact:* Tate Wilson, Senior Attorney, Federal Reserve System, Legal Division, *Phone:* 202 452-3696.

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

*RIN:* 7100-AD80

### 548. 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), have finalized a rule that implements quantitative liquidity requirement consistent with the liquidity coverage ratio standard established by the Basel Committee on Banking Supervision. The requirement is designed to promote short-term resilience of the liquidity risk profile of internationally active banking organizations thereby improving the banking sectors ability to absorb shocks arising from financial and economic stress as well as improvements in the measurement of liquidity risk. The rule applies 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 subsidiary depository institutions with \$10 billion or more in total consolidated assets. The rule will become effective January 1, 2015. The Board also finalized on its own a modified liquidity coverage ratio standard that is less stringent than the full LCR by reducing net outflows by 30%. The modified LCR applies to bank holding companies and certain savings and loan holding companies that have \$50 billion or more in consolidated assets but do not meet the threshold described above. The modified LCR becomes effective January 1, 2016.

*Timetable:*

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

*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)

### Completed Actions

#### 549. 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.

On September 3, 2014, the Board voted unanimously to propose a rule that builds on the one originally released by the Agencies in 2011. The proposed rule includes some modifications that were made in light of comments received. The Agencies requested comments on the proposed rule no later than 60 days after the date of its publication in the **Federal Register**.

*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
Adopted Final Rule.	09/24/14	79 FR 57348

*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, Legal Division, *Phone:* 202 452-6406.

*RIN:* 7100-AD74

#### 550. Regulations H and Q—Regulatory Capital 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 greater 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 Adopted Final Rule.	05/01/14	79 FR 24528

*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

#### 551. Regulation P—Privacy of Consumer Information (Docket No: R-1483)

*Legal Authority:* 12 U.S.C. 5581

*Abstract:* The Board of Governors of the Federal Reserve System (Board) repealed 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

Action	Date	FR Cite
Board Issued Final Rule.	05/29/14	79 FR 30708

*Regulatory Flexibility Analysis Required: Yes.*

*Agency Contact:* Vivian W. Wong, Counsel, Federal Reserve System, Consumer & Community Affairs Division, *Phone:* 202 452-3667. *RIN:* 7100-AE13

**552. 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 amended 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 final rule amended the

definition of "creditor" in the Identity Theft Red Flags rule to reflect the definition of that term as added by the statute. The final rule also updated 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 Issued Final Rule.	05/29/14	79 FR 30709

*Regulatory Flexibility Analysis Required: Yes.*

*Agency Contact:* Mandie Aubrey, Counsel, Federal Reserve System, Division of Consumer and Community Affairs, *Phone:* 202 973-7315. *RIN:* 7100-AE14

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Semiannual Regulatory Agenda