Press Release

March 19, 2021

Federal Reserve Board announces that the temporary change to its supplementary leverage ratio (SLR) for bank holding companies will expire as scheduled on March 31

For release at 9:00 a.m. EDT

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The Federal Reserve Board on Friday announced that the temporary change to its supplementary leverage ratio, or SLR, for bank holding companies will expire as scheduled on March 31. Additionally, the Board will shortly seek comment on measures to adjust the SLR. The Board will take appropriate actions to assure that any changes to the SLR do not erode the overall strength of bank capital requirements.

To ease strains in the Treasury market resulting from the COVID-19 pandemic and to promote lending to households and businesses, the Board temporarily modified the SLR last year to exclude U.S. Treasury securities and central bank reserves. Since that time, the Treasury market has stabilized. However, because of recent growth in the supply of central bank reserves and the issuance of Treasury securities, the Board may need to address the current design and calibration of the SLR over time to prevent strains from developing that could both constrain economic growth and undermine financial stability.

To ensure that the SLR—which was established in 2014 as an additional capital requirement—remains effective in an environment of higher reserves, the Board will soon be inviting public comment on several potential SLR modifications. The proposal and comments will contribute to ongoing discussions with the Department of the Treasury and other regulators on future work to ensure the resiliency of the Treasury market.

For media inquiries, call 202-452-2955

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