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Press Release

May 08, 2014

Federal Reserve Board invites comment on proposed rulemaking implementing section 622 of the Dodd-Frank Act

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The Federal Reserve Board on Thursday invited comment on a proposed rulemaking that would implement section 622 of the Dodd-Frank Act, which prohibits a financial company from combining with another company if the ratio of the resulting financial company's liabilities exceeds 10 percent of the aggregate consolidated liabilities of all financial companies.

Financial companies subject to the concentration limit would include insured depository institutions, bank holding companies, savings and loan holding companies, foreign banking organizations, companies that control insured depository institutions, and nonbank financial companies designated by the Financial Stability Oversight Council (FSOC) for Board supervision.

Consistent with section 622, the proposal generally defines liabilities of a financial institution as the difference between its risk-weighted assets, as adjusted to reflect exposures deducted from regulatory capital, and its total regulatory capital. Firms not subject to consolidated risk-based capital rules would measure liabilities using generally accepted accounting standards. The proposal would also provide that the Board would measure and disclose the aggregate liabilities of financial companies annually, and would calculate aggregate liabilities as a two-year average. The proposal reflects recommendations made by the

FSOC.

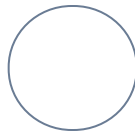
Comments on the proposal should be submitted by July 8, 2014.

For media inquiries, call 202-452-2955.

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