
Joint Release

**Board of Governors of the Federal Reserve System
Federal Deposit Insurance Corporation
Office of the Comptroller of the Currency**

For immediate release

November 19, 2019

**Federal Bank Regulatory Agencies Issue Final Rule on Treatment of High
Volatility Commercial Real Estate**

WASHINGTON— Three federal bank regulatory agencies finalized a rule to modify the treatment of high volatility commercial real estate (HVCRE) exposures as required by the Economic Growth, Regulatory Relief, and Consumer Protection Act.

The final rule clarifies certain terms contained in the HVCRE exposure definition, generally consistent with their usage in the Call Report instructions. The final rule also clarifies the treatment of credit facilities that finance one- to four-family residential properties and the development of land, which is substantially similar to the proposal issued in July.

Additionally, in response to the comments, the final rule provides banking organizations with the option to maintain their current capital treatment for acquisition, development, or construction loans originated between January 1, 2015, and the effective date of the final rule, April 1, 2020.

Attachment:

[Regulatory Capital Treatment for High Volatility Commercial Real Estate \(HVCRE\) Exposures](#)

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