
Joint Release

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

For immediate release

July 12, 2019

Agencies Propose Rule on the Capital Treatment of Land Development Loans

The federal bank regulatory agencies today invited public comment on a proposal to clarify the treatment of land development loans under the agencies' capital rules.

This proposal expands on the agencies' September 2018 proposal to revise the definition of high volatility commercial real estate (HVCRE) as required by the Economic Growth, Regulatory Relief, and Consumer Protection Act. The land development proposal would clarify that loans that solely finance the development of land for residential properties would meet the revised definition of HVCRE, unless the loan qualifies for another exemption.

The land development proposal would apply to all banking organizations subject to the agencies' capital rules. Comments will be accepted for 30 days after publication in the *Federal Register*.

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Attachment:

[Regulatory Capital Treatment of Certain Land Development Loans for the Definition of High Volatility Commercial Real Estate Exposures](#)

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