
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 9, 2019

Agencies Simplify Regulatory Capital Rules

The federal bank regulatory agencies today issued a final rule that reduces regulatory burden by simplifying several requirements in the agencies' regulatory capital rules.

The simplifications in the final rule only apply to banking organizations that do not use the "advanced approaches" capital framework, which are generally firms with less than \$250 billion in total consolidated assets and less than \$10 billion in total foreign exposure.

The final rule is intended to simplify and clarify a number of the more complex aspects of the agencies' existing regulatory capital rules. Specifically, it simplifies the capital treatment for mortgage servicing assets, certain deferred tax assets, investments in the capital instruments of unconsolidated financial institutions, and minority interest. The final rule also would allow bank holding companies and savings and loan holding companies to redeem common stock without prior approval unless otherwise required. Proposed revisions to the definition of high-volatility commercial real estate exposure, which were made in the notice of proposed rulemaking, are being addressed in a separate rulemaking.

The final rule is consistent with the Economic Growth and Regulatory Paperwork Reduction Act report issued by the agencies in 2017. In that report, the agencies committed to meaningfully reducing regulatory burden, especially on community banking organizations, while at the same time maintaining safety and soundness and the quality and quantity of regulatory capital in the banking system.

The final rule will be effective as of April 1, 2020, for the amendments to simplify capital rules, and as of October 1, 2019 for revisions to the pre-approval requirements for the redemption of common stock and other technical amendments.

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Attachments:

[Regulatory Capital Rule: Simplifications to the Capital Rule Pursuant to the Economic Growth and Regulatory Paperwork Reduction Act of 1996](#)

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