**Joint Release**

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

For immediate release May 15, 2020

# Regulators Temporarily Change the Supplementary Leverage Ratio to Increase Banking Organizations' Ability to Support Credit to Households and Businesses In Light of the Coronavirus Response

The federal bank regulatory agencies today announced temporary changes to their supplementary leverage ratio rule. The temporary modifications will provide flexibility to certain depository institutions to expand their balance sheets in order to provide credit to households and businesses in light of the challenges arising from the coronavirus response.

Issued by the Federal Reserve Board, the Federal Deposit Insurance Corporation, and the Office of the Comptroller of the Currency, the interim final rule permits depository institutions to choose to exclude U.S. Treasury securities and deposits at Federal Reserve Banks from the calculation of the supplementary leverage ratio. If a depository institution does change its supplementary leverage ratio calculation, it will be required to request approval from its primary federal banking regulator before making capital distributions, such as paying dividends to its parent company, as long as the exclusion is in effect.

The agencies are providing this temporary exclusion to enable depository institutions to expand their balance sheets as appropriate to serve as financial intermediaries and serve their customers.

The supplementary leverage ratio generally includes subsidiaries of bank holding companies with more than $250 billion in total consolidated assets. The rule requires them to hold a minimum ratio of 3 percent, measured against their total leverage exposure, with more stringent requirements for the largest and most systemic financial institutions.

The change will be effective once the rule is published in the Federal Register and will be in effect through March 31, 2021. Comments will be accepted for 45 days after publication in the Federal Register.

**Attachment:**

Temporary Exclusion of U.S. Treasury Securities and Deposits at Federal Reserve Banks from the Supplementary Leverage Ratio

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