



Federal Deposit Insurance Corporation  
550 17th Street NW, Washington, DC 20429-9990

Financial Institution Letter  
FIL-34-2017  
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## Regulatory Capital Rules

### *Retention of Certain Existing Transition Provisions for Banking Organizations That Are Not Subject to the Advanced Approaches Capital Rules*

**Summary:** The federal bank regulatory agencies (the agencies) jointly have issued a notice of proposed rulemaking (NPR) to extend the current treatment under the regulatory capital rules for certain regulatory capital deductions and risk weights as well as certain minority interest requirements for banking organizations not subject to the advanced approaches.

**Statement of Applicability to Institutions with Total Assets Under \$1 Billion:** This Financial Institution Letter is applicable to all banks not subject to the advanced approaches capital rules.

**Distribution:**  
FDIC-Supervised Banks (Commercial and Savings)

**Suggested Routing:**  
Chief Executive Officer  
Chief Financial Officer  
Chief Risk Officer

**Related Topics:**  
Capital Adequacy of FDIC-Supervised Institutions, 12 CFR Part 324 (Regulatory Capital Rules)

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#### Highlights:

The NPR proposes to extend the current treatment for regulatory capital deductions and risk weights for the following items:

- Mortgage servicing assets;
- Deferred tax assets arising from temporary differences that could not be realized through net operating loss carrybacks;
- Significant investments in the capital of unconsolidated financial institutions in the form of common stock;
- Non-significant investments in the capital of unconsolidated financial institutions; and
- Significant investments in the capital of unconsolidated financial institutions that are not in the form of common stock.

The NPR proposes to extend the current treatment of common equity tier 1 minority interest, tier 1 minority interest, and total capital minority interest exceeding the regulatory capital rules' minority interest limitations.