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**Joint Release**

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

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For immediate release

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## **Federal Banking Agencies Finalize Extension of Certain Capital Rule Transitions**

The federal banking agencies on Tuesday finalized a rule for certain banking organizations by extending the existing capital requirements for mortgage servicing assets and certain other items. The rule is being finalized to prevent different rules from taking effect while the agencies consider a broader simplification of the capital rules.

As part of the recent review of regulations under the Economic Growth and Regulatory Paperwork Reduction Act, the agencies announced that they intended to simplify the capital rules to reduce regulatory burden, particularly for community banks. Subsequently, in September, the agencies released a proposal that would simplify the capital rules' treatment of mortgage servicing assets and other items for some banking organizations. However, prior to that rule being finalized, the current transitional treatment for many of these items was scheduled to be replaced with a different treatment on January 1, 2018.

The final rule from the agencies is substantively similar to the proposal issued by the agencies to extend the existing capital requirements for certain banking organizations for a targeted set of items: mortgage servicing assets, certain deferred tax assets, investments in the capital instruments of unconsolidated financial institutions, and minority interest.

The final rule would apply only to banking organizations that are not subject to the agencies' "advanced approaches" capital rules, which are generally firms with less than \$250 billion in total consolidated assets and less than \$10 billion in total foreign exposure. Banking organizations that are subject to the advanced approaches rules are not affected by this rule.

The rule will be effective on January 1, 2018.

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**Attachment:**

[Final Rule](#)

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