

76 FR 37029, 06/24/2011

Handbook Mailing HM-11-8

**DEPARTMENT OF THE TREASURY
Office of the Comptroller of the Currency
12 CFR Part 45
Docket No. OCC-2011-0008
RIN: 1557-AD43**

**BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM
12 CFR Part 237
Docket No. R-1415
RIN: 7100 AD74**

**FEDERAL DEPOSIT INSURANCE CORPORATION
12 CFR Part 324
RIN: 3064-AD79**

**FARM CREDIT ADMINISTRATION
12 CFR Part 624
RIN: 3052-AC69**

**FEDERAL HOUSING FINANCE AGENCY
12 CFR Part 1221
RIN: 2590-AA45**

MARGIN AND CAPITAL REQUIREMENTS FOR COVERED SWAP ENTITIES

AGENCIES: Office of the Comptroller of the Currency, Treasury (OCC); Board of Governors of the Federal Reserve System (Board); Federal Deposit Insurance Corporation (FDIC); Farm Credit Administration (FCA); and the Federal Housing Finance Agency (FHFA).

ACTION: Proposed rule; extension of comment period.

SUMMARY: On May 11, 2011, the OCC, Board, FDIC, FCA, and FHFA (collectively, the Agencies) published in the Federal Register a joint notice of proposed rulemaking for public comment to establish minimum margin and capital requirements for registered swap dealers, major swap participants, security-based swap dealers, and major security-based swap participants for which one of the Agencies is the prudential regulator (the proposed rule).

Due to the complexity of the rulemaking, to allow parties more time to consider the impact of the proposed rule, and so that the comment period on the proposed rule will run concurrently with the comment period for similar margin and capital requirements proposed by the Commodity Futures Trading Commission, the Agencies have determined that an extension of the comment period until July 11, 2011 is appropriate. This action will allow interested persons additional time to analyze the proposed rules and prepare their comments.

DATES: Comments on the proposed rule must be received on or before July 11, 2011.

ADDRESSES: You may submit comments by any of the methods identified in the proposed rule. Please submit your comments using only one method.

FOR FURTHER INFORMATION CONTACT:

OCC: Michael Sullivan, Director, Market RAD (202) 874-3978, Kurt Wilhelm, Director, Financial Markets Group (202) 874-4479, Jamey Basham, Assistant Director, Legislative and Regulatory Activities Division (202) 874-5090, or Ron Shimabukuro, Senior Counsel, Legislative and Regulatory Activities Division (202) 874-5090, Office of the Comptroller of the Currency, 250 E Street SW., Washington, DC 20219.

Board: Sean D. Campbell, Deputy Associate Director, Division of Research and Statistics, (202) 452-3761, Michael Gibson, Senior Associate Director, Division of Research and Statistics, (202) 452-2495, or Jeremy R. Newell, Senior Attorney, Legal Division, (202) 452-3239, Board of Governors of the Federal Reserve System, 20th and C Streets, NW., Washington, D.C. 20551.

FDIC: Bobby R. Bean, Chief, Policy Section, (202) 898-6705, John Feid, Senior Capital Markets Specialist, (202) 898-8649, Division of Risk Management Supervision, Thomas F. Hearn, Counsel, (202) 898-6967, or Ryan K. Clougherty, Senior Attorney, (202) 898-3843, Legal Division, Federal Deposit Insurance Corporation, 550 17th Street, NW., Washington, DC 20429.

FHFA: Robert Collender, Principal Policy Analyst, Office of Policy Analysis and Research, 202-343-1510, Robert.Collender@fhfa.gov, Peggy Balsawer, Assistant General Counsel, Office of General Counsel, 202-343-1529, Peggy.Balsawer@fhfa.gov, or James Carley, Senior Associate Director, Division of FHLBank Regulation, 202-408-2507, James.Carley@fhfa.gov, Federal Housing Finance Agency, Fourth Floor, 1700 G Street, NW., Washington, DC 20552. The telephone number for the Telecommunications Device for the Hearing Impaired is (800) 877-8339.

FCA: William G. Dunn, Acting Associate Director, Finance and Capital Markets Team, Office of Regulatory Policy, Farm Credit Administration, McLean, VA 22102-5090, (703) 883-4414, TTY (703) 883-4434, Joseph T. Connor, Associate Director for Policy and Analysis, Office of Secondary Market Oversight, Farm Credit Administration, McLean, VA 22102-5090, (703) 883-4280, TTY (703) 883-4434, or Rebecca S. Orlich, Senior Counsel, Office of General Counsel, Farm Credit Administration, McLean, VA 22102-5090, (703) 883-4020, TTY (703) 883-4020.

SUPPLEMENTARY INFORMATION:

On May 11, 2011, the proposed rule was published in the Federal Register.¹ The proposed rule would establish minimum margin and capital requirements for registered swap dealers, major swap participants, security-based swap dealers, and major security-based swap participants for which one of the Agencies is the prudential regulator, as required under sections 731 and 764 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the Dodd-Frank Act).² Sections 731 and 764 of the Dodd-Frank Act add a new section 4s to the Commodity Exchange Act and a new section 15F to the Securities Exchange Act of 1934, respectively, which require the registration and regulation of swap dealers and major swap participants and security-based swap dealers and major security-based swap participants (collectively, swap entities). For certain types of swap entities that are prudentially regulated by one of the Agencies, sections 731 and 764 of the Dodd-Frank Act require the Agencies to adopt rules

jointly for swap entities under their respective jurisdictions imposing (i) capital requirements and (ii) initial and variation margin requirements on all non-cleared swaps and non-cleared security-based swaps. In recognition of the complexities of the rulemaking and the variety of considerations involved in its impact and implementation, the Agencies requested that commenters respond to numerous questions. The proposed rule stated that the public comment period would close on June 24, 2011.³

The Agencies have received requests from the public for an extension of the comment period.⁴ The Agencies believe that it is important to allow parties more time to consider the impact of the proposed rule, and to extend the comment period on the proposed rule so that it will run concurrently with the comment period for similar margin and capital requirements proposed by the Commodity Futures Trading Commission.⁵ Therefore, the Agencies are extending the deadline for submitting comments on the proposed rule from June 24, 2011 to July 11, 2011.

¹See 76 FR 27564.

²Dodd-Frank Wall Street Reform and Consumer Protection Act, Pub. Law 111-203, 124 Stat. 1376 (2010).

³See id.

⁴See comment letter to the OCC, Board, and FDIC from American Bankers Association et al. (June 17, 2011).

⁵See 76 FR 23732; 76 FR 27621.

Dated: June 21, 2011

**Julie L. Williams,
First Senior Deputy Comptroller and Chief Counsel**

By order of the Board of Governors of the Federal Reserve System, acting through the Secretary under delegated authority, June 22, 2011.

**Jennifer J. Johnson,
Secretary of the Board.**

**Dated at Washington, D.C., this 21 of June 2011.
Federal Deposit Insurance Corporation.**

Robert E. Feldman,

Executive Secretary

Date: June 21, 2011

**Dale L. Aultman
Secretary,
Farm Credit Administration Board.**

June 21, 2011

**Stephen M. Cross,
Deputy Director of the Division of Bank Regulation
By delegation
Federal Housing Finance Agency.**