




MEMORANDUM TO: Board of Directors
Federal Deposit Insurance Corporation

FROM: Doreen R. Eberley, Director
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Charles Yi
General Counsel 

SUBJECT: Fourth joint Federal Register notice addressing FDIC Regulations in Accordance with the Economic Growth and Regulatory Paperwork Reduction Act ("EGRPRA")

This memorandum seeks approval to publish the fourth and final joint Federal Register notice ("fourth notice") requesting comment as part of the interagency EGRPRA regulatory review. The fourth notice will ask the public to assist in identifying those statutes and regulations that are outdated or otherwise unnecessary in the categories of Rules of Procedure, Safety and Soundness, and Securities. Included in the fourth notice is a chart that lists applicable regulations in these three categories.¹

Consistent with the expanded scope of the EGRPRA review, the public is also invited to comment on any Agency final rule not included in a previous EGRPRA Federal Register notice. Included in the fourth notice is a chart that identifies these rules, referred to as "Newly Listed Rules".² Furthermore, in order to be as inclusive as possible, the Agencies will accept comments during the comment period for the fourth notice on any additional Agency rule that might be issued in final form before December 31, 2015.³ Finally, the public may also comment on any other Agency rule, including rules covered by the three prior notices during the open comment period for this notice.

The comment period would be open for 90 days from the date of publication in the Federal Register.

Staff have been working with our counterparts at the Office of the Comptroller of the Currency and the Board of Governors of the Federal Reserve System (collectively, the "Agencies"), to continue a coordinated and comprehensive review of agency regulations in accordance with the requirements of EGRPRA. On June 4, 2014, the Agencies published the first joint Federal Register notice asking for public comment on their Applications and

¹ Chart A in Section IV contains the Agencies' rules in these three categories, including the newly listed rules in these three categories.

² Chart B in Section IV of the attached notice contains these "Newly Listed Rules" in the nine categories that were part of the previous Federal Register notices.

³ These rules, if any, will be listed on the EGRPRA web site (available at: <http://egrpra.ftic.gov>). This would include a rule adopted by the Board before the end of the year even if the rule is published in the Federal Register in 2016.

Reporting; Powers and Activities; and International Operations regulations, and received approximately 40 comments. On February 13, 2015, the Agencies published the second joint notice asking for public comment on their Banking Operations; Capital; and Community Reinvestment Act regulations, and received 18 comments. On June 5, 2015, the Agencies published the third notice, seeking comment on their Consumer Protection; Directors, Officers and Employees; and Money Laundering regulations. The comment period for the third notice closed on September 3, 2015 and the Agencies received approximately 15 comments. Staff are currently reviewing all of the comments, and the Agencies will decide whether further action is appropriate with respect to the regulations. The Agencies will make this decision jointly in the case of rules issued on an interagency basis. Similarly, the Agencies will undertake any rulemaking to amend or repeal those rules on an interagency basis. For rules issued by an Agency, the issuing Agency will review the comments received and independently determine whether amendments to or repeal of its rules are appropriate.

Background

Section 2222 of EGPRA, 12 U.S.C. § 3311, provides that, not less frequently than once every 10 years, the Federal Financial Institutions Examination Council ("FFIEC") and each appropriate Federal banking agency represented on the FFIEC, must conduct a review of all regulations prescribed by the FFIEC and each appropriate Federal banking agency, to identify any outdated or otherwise unnecessary regulations imposed on insured depository institutions. The EGRPRA review may facilitate the identification of statutes and regulations that share similar goals or complementary methods where one or more Agencies could eliminate overlapping requirements. Alternatively, interested parties may identify regulations or statutes that impose requirements that are no longer consistent with the way that business is conducted and that, therefore, the Agencies might eliminate. Any changes, however, must be compatible with the safety and soundness of insured depository institutions, their affiliates, and the financial system as a whole, including consumer protection.

The FDIC, the OCC and the FRB completed the last regulatory review under EGRPRA in 2006 and issued a Joint Report to Congress describing issues raised in public comments and the actions taken by the Agencies in response to these comments.

The EGRPRA Review Process

The Agencies' regulations governing insured depository institutions cover a wide range of subjects.⁴ To be as inclusive as possible, the Agencies decided to expand the scope of this EGRPRA review to include rules that the Agencies have recently finalized, including those issued pursuant to the Dodd-Frank Act and the recent domestic capital and liquidity rules. Accordingly, to facilitate identification of these recently issued rules, the Agencies have included two charts that list these rules (the "Newly Listed Rules") in the fourth notice.

Chart A in Section IV of the attached Federal Register notice lists the applicable regulations in the following categories: Rules of Procedure; Safety and Soundness; and

⁴ Consistent with EGRPRA's focus on reducing burden on insured depository institutions, the Agencies have not included their internal, organizational, or operational regulations in this review.

Securities and includes the Newly Listed Rules in these three categories. Chart B categorizes and specifies the Newly Listed Rules in the nine categories covered by the prior notices. We also note that it has been the practice of the Agencies to accept comments on any of the Agencies' rules during the EGRPRA review. The Agencies will continue this practice and accept comments on any of the rules of the Agencies, including those in Charts A and B of the attached Federal Register notice, as well as those rules published in the prior Federal Register notices. Again, to be as inclusive as possible the Agencies will accept comments during the open comment period for this notice on any additional Agency rule issued in final form before December 31, 2015.

Finally, EGRPRA requires the FFIEC or the Agencies to publish in the Federal Register a summary of the comments received, identifying significant issues raised and commenting on these issues. Comments received at the outreach sessions will be reflected as part of this summary. EGRPRA directs the Agencies to eliminate unnecessary regulations to the extent that such action is appropriate. The statute additionally requires the FFIEC to submit to Congress a report that summarizes any significant issues raised in the public comments and the relative merits of such issues. The FFIEC report also must include an analysis of whether the Agencies are able to address the burdens associated with regulations or whether these issues must be addressed by legislative action.

Recommendation

Staff recommends that the FDIC's Board of Directors approve the fourth joint Federal Register notice, attached.

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Attachment