

[Banking and Finance Law Daily Wrap Up, DODD-FRANK ACT—Banking regulators detail immediate response to ‘regulatory relief’ law, \(Jul. 9, 2018\)](#)

Banking and Finance Law Daily Wrap Up

[Click to open document in a browser](#)

By Jacob Bielanski

The federal banking agencies released a statement detailing rules and reporting requirements that are immediately affected by the enactment of the Economic Growth, Regulatory Relief, and Consumer Protection Act (EGRRCPA). According to the agencies' [joint press release](#), the [interagency statement](#) describes interim positions the regulatory agencies will take on the following changes before incorporating them into their regulations:

- **Stress testing.** The agencies are extending the deadlines for all regulatory requirements related to company-run stress testing for depository institutions with average total consolidated assets of less than \$100 billion until Nov. 25, 2019.
- **Resolution plans.** Consistent with EGRRCPA, the Fed and FDIC will not enforce the final rules establishing resolution planning requirements in a manner inconsistent with the amendments made by the law to section 165 of the Dodd-Frank Act.
- **Volcker Rule.** The agencies will not enforce the regulation implementing section 13 of the Bank Holding Company Act, relating to covered funds under the Volcker Rule, in a manner that is inconsistent with the amendments made by EGRRCPA.
- **High volatility commercial real estate exposures.** EGRRCPA provides that the federal banking agencies may only require a depository institution to assign a heightened risk weight to an HVCRE exposure if such exposure is an "HVCRE ADC Loan." The agencies will not take action to require a bank holding company, savings and loan holding company, or intermediate holding company of a foreign bank to estimate and report HVCRE on Schedule HC-R, Part II of the FR Y-9C consistent with the existing regulatory requirements and reporting form instructions, provided that the holding company reports HVCRE in a manner consistent with its subsidiary depository institution(s) and EGRRCPA.
- **Examination cycles.** The agencies intend to engage in rulemaking to implement EGRRCPA's increases in the total asset threshold for well-capitalized insured depository institutions to be eligible for an 18-month examination cycle.

ABA response. The American Bar Association [applauded](#) regulators' efforts to implement EGRRCPA. "Instead of a one size fits all approach, regulators are now bringing us closer to a program of tailored supervision in stress testing," ABA President and CEO Rob Nichols said in a [press release](#). "[This] will allow banks to devote more of their time and resources to serving their customers and communities and helping grow the U.S. economy." Nichols added, "We understand these announcements are interim steps, and look forward to providing comment as agencies consider permanent changes to tailor these regulations going forward."

Companies: American Bankers Association

IndustryNews: BankingFinance BankingOperations CommunityDevelopment DoddFrankAct FedTracker
FinancialStability Mortgages VolckerRule