Agencies Seek Comment on Dodd-Frank Act Stress Test Guidance for Medium-Sized Firms

Three federal bank regulatory agencies are seeking comment on proposed guidance describing supervisory expectations for stress tests conducted by financial companies with total consolidated assets between $10 billion and $50 billion.

These medium-sized companies are required to conduct annual company-run stress tests beginning this fall under rules the agencies issued in October 2012 to implement a provision in the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act).

To help these companies conduct stress tests appropriately scaled to their size, complexity, risk profile, business mix, and market footprint, the Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, and the Office of the Comptroller of the Currency are proposing guidance to provide additional details tailored to these companies.

The stress test rules allow flexibility to accommodate different approaches by different companies in the $10 billion to $50 billion asset range. Consistent with this flexibility, the proposed guidance describes general supervisory expectations for Dodd-Frank Act stress tests, and, where appropriate, provides examples of practices that would be consistent with those expectations.

The public comment period on the proposed supervisory guidance will be open until September 25, 2013.

Additional Information

All circulars and documents are available on the Internet through the Federal Reserve Bank of San Francisco’s website, at http://www.frbsf.org/banking-supervision/publications/district-circular-letters/.

For additional information, please contact:

Federal Reserve Bank of San Francisco
Banking Supervision and Regulation
(415) 974-2588

Attachment:

Board of Governors of the Federal Reserve System Press Release

Stress Test Guidance for Medium-Sized Firms (PDF)