

Federal Reserve Bank of San Francisco
101 Market Street, San Francisco, California 94105

April 17, 2013

To Savings and Loan Holding Companies
in the Twelfth Federal Reserve District

SR 13-8/CA 13-5 Extension of the Use of Indicative Ratings for Savings and Loan Holding Companies

Applicability to Community Banking Organizations: This guidance applies to all savings and loan holding companies, including those with \$10 billion or less in total assets.

On April 11, 2013, the Federal Reserve issued [SR 13-8/CA 13-5](#), "Extension of the Use of Indicative Ratings for Savings and Loan Holding Companies." The Federal Reserve will continue to use the "RFI/C(D)" rating system (referred to as "RFI") to assign "indicative ratings" to savings and loan holding companies (SLHCs). When the Federal Reserve assumed responsibility for the supervision of SLHCs in July 2011, the Federal Reserve set forth the SLHC supervisory approach for the first supervisory cycle in SR 11-11/CA 11-5, "Supervision of Savings and Loan Holding Companies (SLHCs)." Under that approach, the Federal Reserve has issued an indicative rating to each SLHC to indicate how the SLHC would be rated under the RFI rating system.

The Federal Reserve has used the first supervisory cycle to evaluate the appropriateness of the RFI rating system for SLHCs. In most cases, the use of the RFI framework worked well. However, the Federal Reserve continues to evaluate the appropriateness of the RFI system for those SLHCs predominantly engaged in specialized insurance or commercial activities.

The Federal Reserve will soon issue a notice seeking public comment on the application of the RFI rating system to SLHCs, including any modifications that the Federal Reserve believes are necessary to accommodate unique characteristics of SLHCs. Until finalization of the rating system for SLHCs, the Federal Reserve will continue to assign indicative ratings to SLHCs. Furthermore, the Federal Reserve will continue to carry out the other elements of the supervisory approach described in SR 11-11/CA 11-5 with respect to SLHCs.

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/letters>.

For additional information, please contact:

Federal Reserve Bank of San Francisco
Banking Supervision and Regulation
(415) 974-2260

Cross References:

[SR 11-11/CA 11-5](#), "Supervision of Savings and Loan Holding Companies (SLHCs)"

[SR 04-18](#), "Bank Holding Company Rating System"