

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

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To State Member Banks, Bank
Holding Companies, Financial Holding
Companies, and Foreign Bank Offices
in the Twelfth Federal Reserve District

Agencies Announce Consideration of Risk Retention Notice of Proposed Rulemaking

The staffs of the Office of the Comptroller of the Currency, the Federal Reserve, the Federal Deposit Insurance Corporation, the U.S. Securities and Exchange Commission, the Federal Housing Finance Agency, and the Department of Housing and Urban Development (together, the agencies) announced that the agencies this week are considering for approval a notice of proposed rulemaking that addresses section 941 of the Dodd-Frank Wall Street Reform and Consumer Protection Act. All of the agencies participating in this joint rulemaking process are expected to consider the rule this week and a detailed announcement will be made when this process is complete. If approved, the agencies will publish in the *Federal Register* a notice of proposed rulemaking for public comment.

Section 941 requires the agencies to prescribe rules to require that a securitizer retain an economic interest in a material portion of the credit risk for any asset that it transfers, sells, or conveys to a third party. The chairperson of the Financial Stability Oversight Council is tasked with coordinating this rulemaking effort.

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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>.

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