

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

January 3, 2014

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

Agencies Reviewing Treatment of Collateralized Debt Obligations Backed by Trust Preferred Securities under Final Rules Implementing the "Volcker Rule"

On Friday, December 27, 2013, the Federal Reserve Board issued [SR 13-25, Interagency Statement Regarding the Treatment of Certain Collateralized Debt Obligations Backed by Trust Preferred Securities under the Volcker Rule](#). In the interagency Statement, the Federal Reserve, Federal Deposit Insurance Corporation, Office of the Comptroller of the Currency, and Securities and Exchange Commission said they are reviewing whether it would be appropriate and consistent with the Dodd-Frank Wall Street Reform and Consumer Protection Act not to subject collateralized debt obligations backed by trust preferred securities to the investment prohibitions of section 619 of Dodd-Frank, otherwise known as the "Volcker rule."

The agencies intend to address the matter no later than January 15, 2014. The accounting staffs of the agencies believe that, consistent with generally accepted accounting principles, any actions in January 2014 that occur before the issuance of December 31, 2013, financial reports should be considered when preparing those financial reports.

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) 974-3166

Attachment:

[Statement regarding Treatment of Certain Collateralized Debt Obligations Backed by Trust Preferred Securities under the Rules implementing Section 619 of the Dodd-Frank Act](#)

[SR 13-25](#)