Federal Reserve Bank of San Francisco

101 Market Street, San Francisco, California 94105

March 2, 2015

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

Tool for Calculating Capital Requirements Using the Simplified Supervisory Formula Approach

On February 13, 2015, the Board of Governors of the Federal Reserve System (the Board) issued SR letter 15-4, Tool for Calculating Capital Requirements Using the Simplified Supervisory Formula Approach. This letter announces the development of an automated tool by the Board, the Federal Deposit Insurance Corporation (FDIC), and the Office of the Comptroller of the Currency to assist financial institutions subject to the agencies' regulatory capital rules in calculating risk-based capital requirements for individual securitization exposures. Specifically, institutions that use the rules' Simplified Supervisory Formula Approach (SSFA) to calculate risk-based capital requirements for securitization exposures may use the tool, at their discretion, to calculate capital requirements for such exposures. A link to the tool, which is maintained on the FDIC's website, appears at the bottom of this letter.

Financial institutions using this tool remain solely responsible for the accuracy of the reporting data produced with the assistance of this tool, as well as for ensuring compliance with the Board's Regulation Q. Institutions are expected to have a comprehensive understanding of their securitization exposures and to conduct due diligence requirements in accordance with the requirements of Regulation Q and consistent with supervisory expectations related to investment activities and safe-and-sound banking practices.

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) 974-2128

Attachments

SSFA calculation tool (.xls)