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DEPARTMENT OF THE TREASURY
Office of the Comptroller of the Currency
12 CFR Part 46
[Docket ID OCC-2018-0035]
RIN 1557-AE55

Amendments to the Stress Testing Rules for National Banks and Federal Savings Associations

AGENCY: Office of the Comptroller of the Currency (OCC), Treasury.

ACTION: Notice of proposed rulemaking with request for comment.

SUMMARY: The OCC is requesting comment on a proposed rule that would amend the OCC's company-run stress testing requirements for national banks and Federal savings associations, consistent with section 401 of the Economic Growth, Regulatory Relief, and Consumer Protection Act (EGRRCPA). Specifically, the proposed rule would revise the minimum threshold for national banks and Federal savings associations to conduct stress tests from \$10 billion to \$250 billion, revise the frequency by which certain national banks and Federal savings associations would be required to conduct stress tests, and reduce the number of required stress testing scenarios from three to two. The proposed rule would also make certain facilitating and conforming changes to the stress testing requirements.

DATES: Comments on the notice of proposed rulemaking must be received by February 19, 2019.

ADDRESSES: Commenters are encouraged to submit comments through the Federal eRulemaking Portal or e-mail, if possible. Please use the title "Amendments to the Stress Testing Rules for National Banks and Federal Savings Associations" to facilitate the organization and distribution of the comments. You may submit comments by any of the following methods:

- **Federal eRulemaking Portal—“Regulations.gov”:** Go to www.regulations.gov. Enter “OCC-2018-0035” in the Search box and click “Search.” Click on “Comment Now” to submit public comments. Click on the “Help” tab on the Regulations.gov home page to get information on using Regulations.gov, including instructions for submitting public comments.
- **E-mail:** regs.comments@occ.treas.gov.
- **Mail:** Legislative and Regulatory Activities Division, Office of the Comptroller of the Currency, 400 7th Street, SW., suite 3E-218, Washington, DC 20219.
- **Hand Delivery/Courier:** 400 7th Street, SW., suite 3E-218, Washington, DC 20219.
- **Fax:** (571) 465-4326.

Instructions: You must include “OCC” as the agency name and “Docket ID OCC-2018-0035” in your comment. In general, OCC will enter all comments received into the docket and publish the comments on the Regulations.gov website without change, including any business or personal information that you provide such as name and address information, e-mail addresses, or phone numbers. Comments received, including attachments and other supporting materials, are part of the public record and subject to public disclosure. Do not include any information in your comment or supporting materials that you consider confidential or inappropriate for public disclosure.

You may review comments and other related materials that pertain to this rulemaking action by any of the following methods:

- **Viewing Comments Electronically:** Go to www.regulations.gov. Enter “Docket ID OCC-2018-0035” in the Search box and click “Search.” Click on “Open Docket Folder” on the right side of the screen. Comments and supporting materials can be viewed and filtered by clicking on “View all documents and comments in this docket” and then using the filtering

tools on the left side of the screen. Click on the “Help” tab on the Regulations.gov home page to get information on using Regulations.gov. The docket may be viewed after the close of the comment period in the same manner as during the comment period.

- **Viewing Comments Personally:** You may personally inspect comments at the OCC, 400 7th Street, SW., Washington, DC 20219. For security reasons, the OCC requires that visitors make an appointment to inspect comments. You may do so by calling (202) 649-6700 or, for persons who are deaf or hearing-impaired, TTY, (202) 649-5597. Upon arrival, visitors will be required to present valid government-issued photo identification and submit to security screening in order to inspect comments.

FOR FURTHER INFORMATION CONTACT:

Hein Bogaard, Lead Economic Expert, International Analysis and Banking Condition, (202) 649-5450; or Henry Barkhausen, Counsel, or Daniel Perez, Attorney, (202) 649-5490, Chief Counsel’s Office; or for persons who are deaf or hearing-impaired, TTY, (202) 649-5597; Office of the Comptroller of the Currency, 400 7th Street, SW., Washington, DC 20219.

SUPPLEMENTARY INFORMATION:

I. Background

Section 165(i) of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (Dodd-Frank Act),¹ as initially enacted, required a national bank or Federal savings association (FSA) (collectively, banks) with total consolidated assets of more than \$10 billion to

¹ Public Law 111-203, 124 Stat. 1376 (2010), codified at 12 U.S.C. 5365.

conduct and report an annual stress test. In addition, section 165 required these banks to provide a report to the Office of the Comptroller of the Currency (OCC) at such time, in such form, and containing such information as the OCC may require.² In addition, section 165 required the OCC to issue regulations that establish methodologies for banks conducting their stress test and required the methodologies to include at least three different stress-testing scenarios: “baseline,” “adverse,” and “severely adverse.”³ In October 2012, the OCC published in the *Federal Register* its rule implementing the Dodd-Frank Act stress testing requirement.⁴ The OCC’s rule established two subgroups for covered institutions—“\$10 to \$50 billion covered institutions” and “\$50 billion or over covered institutions”—and subjected the two subgroups to different stress test requirements and deadlines for reporting and disclosures. In February 2018, the OCC published a second rule making additional technical and conforming changes to the OCC’s company-run stress testing regulations.⁵

The Economic Growth, Regulatory Relief, and Consumer Protection Act (EGRRCPA), enacted on May 24, 2018, amended certain aspects of the company-run stress testing requirement in section 165(i)(2) of the Dodd-Frank Act.⁶ Specifically, section 401 of EGRRCPA raises the minimum asset threshold for financial companies covered by the company-run stress testing requirement from \$10 billion to \$250 billion in total consolidated assets; revises the requirement for banks to conduct stress tests “annually” and instead require them to conduct stress tests

² 12 U.S.C. 5365(i)(2)(B).

³ 12 U.S.C. 5365(i)(2)(C).

⁴ 77 Fed. Reg. 195 (Oct. 9, 2012).

⁵ 83 Fed. Reg. 7951 (Feb. 23, 2018).

⁶ Pub. L. 115-174, 132 Stat. 1296-1368 (2018).

“periodically”; and no longer requires the OCC to provide an “adverse” stress-testing scenario, thus reducing the number of required stress test scenarios from three to two. The amendments made by section 401 of EGRRCPA applicable to financial companies become effective eighteen months after EGRRCPA’s enactment.⁷

II. Description of the Proposed Rule

The OCC is proposing to revise the OCC’s stress testing rule, at 12 CFR part 46, consistent with the amendments made by section 401 of the EGRRCPA (the proposed rule or proposal).⁸ The proposal would also make a few additional technical and facilitating changes to the stress testing rule.

A. Covered Institutions

As described above, section 401 of EGRRCPA amends section 165 of the Dodd-Frank Act by raising the minimum asset threshold for banks required to conduct stress tests from \$10 billion to \$250 billion. The proposed rule implements this change by eliminating the two existing subcategories of “covered institution”—“\$10 to \$50 billion covered institution” and “\$50 billion or over covered institution”—and revising the term “covered institution” to mean a national bank or FSA with average total consolidated assets, calculated as required under this part, that are greater than \$250 billion. In addition, the proposal makes certain technical and conforming changes to the rule in order to consolidate requirements that were applied differently to \$10 to

⁷ On July 6, 2018, the OCC, jointly with the Board and the FDIC, extended the deadline for all regulatory requirements related to company-run stress testing for depository institutions with average total consolidated assets of less than \$100 billion until November 25, 2019. *See* Interagency statement regarding impact of the Economic Growth, Regulatory Relief, and Consumer Protection Act, July 6, 2018, *available at* <https://www.occ.treas.gov/news-issuances/news-releases/2018/nr-ia-2018-69a.pdf>.

⁸ In addition to requesting comment on this proposed rule, the OCC is currently reviewing the agency’s guidance with respect to stress testing, in light of section 401 of EGRRCPA, and will issue amendments or rescissions as appropriate.

\$50 billion covered institutions and \$50 billion or over covered institutions.

B. Frequency of Stress Testing

EGRRCPA eliminates the requirement under section 165 of the Dodd-Frank Act for covered institutions to conduct stress tests on an “annual” basis and, instead, requires that they be “periodic.” The term “periodic” is not defined in EGRRCPA, and the OCC is proposing that, in general, a covered institution would be required to conduct, report, and publish a stress test once every two years, beginning on January 1, 2020, and continuing every even-numbered year thereafter (*i.e.*, 2022, 2024, 2026, etc.). However, a covered institution that is consolidated under a holding company that is required to conduct a stress test at least once every calendar year (pursuant to regulations of the Board of Governors of the Federal Reserve (Board) at 12 CFR part 252) would be required to conduct, report, and publish its stress test annually. The proposal also adds a new defined term, “reporting year,” to the definitions at § 46.2. A covered institution’s reporting year is the year in which a covered institution must conduct, report, and publish its stress test.

Subsequent to these changes, some covered institutions would have a biennial reporting year (biennial stress testing covered institutions) while others would have an annual reporting year (annual stress testing covered institutions). In either case, the dates and deadlines in the OCC’s stress testing rule would be interpreted relative to the covered institution’s reporting year. For example, if a biennial stress testing covered institution is preparing its 2022 stress test, the covered institution would rely on financial data available as of December 31, 2021; use stress test scenarios that would be provided by the OCC no later than February 15, 2022; provide its report of the stress test to the OCC by April 5, 2022; and publish a summary of the results of its stress test in the period starting June 15 and ending July 15 of 2022.

Based on the OCC's experience overseeing and reviewing the results of company-run stress testing over more than five years, the OCC believes that a biennial stress testing cycle would be appropriate for most covered institutions. For covered institutions that would stress test on a biennial cycle, the OCC expects this level of frequency to provide the OCC and the covered institution with information that is sufficient to satisfy the purposes of stress testing, including: assisting in an overall assessment of a covered institution's capital adequacy, identifying risks and the potential impact of adverse financial and economic conditions on the covered institution's capital adequacy, and determining whether additional analytical techniques and exercises are appropriate for a covered institution to employ in identifying, measuring, and monitoring risks to the soundness of the covered institution. In addition, the OCC would continue to review the covered institution's stress testing processes and procedures. Under the proposed rule, all covered institutions that would conduct stress tests on a biennial basis would be required to conduct stress tests in the same reporting year. By requiring these covered institutions to conduct their stress tests in the same year, the proposal would continue to allow the OCC to make comparisons across banks for supervisory purposes and assess macroeconomic trends and risks to the banking industry.

Under the proposal, certain covered institutions would be required to conduct annual stress tests. This subset would be limited to covered institutions that are consolidated under holding companies that are required to conduct stress tests more frequently than once every other year. This requirement reflects the OCC's expectation that covered institutions that would be required to stress test on an annual basis would be subsidiaries of the largest and most systemically important banking organizations (*i.e.*, subsidiaries of global systemically important bank holding companies or bank holding companies that have \$700 billion or more in total assets

or \$75 billion or more in cross-border activity). This treatment aligns with the agencies' long-standing policy of applying similar standards to holding companies and their subsidiary banks.

C. Removal of "Adverse" Scenarios

Section 165(i) of the Dodd-Frank Act requires the OCC to establish methodologies for covered institutions conducting a stress test and requires the methodologies to include at least three different stress-testing scenarios: "baseline," "adverse," and "severely adverse."

EGRRCPA amends section 165 to no longer require the OCC to include an "adverse" stress-testing scenario and reduces the number of required stress test scenarios from three to two.

Accordingly, this proposal removes references to the "adverse" stress test scenario in the OCC's stress testing rule. In the OCC's experience, the "adverse" stress-testing scenario has provided limited incremental information to the OCC and market participants beyond what the "baseline" and "severely adverse" stress-testing scenarios provide. The proposal would maintain the requirement for the OCC to conduct supervisory stress tests under both a "baseline" and "severely adverse" stress-testing scenario.

D. Transition Process for Covered Institutions

Section 46.3 of the OCC's current rule provides a transition period between when a bank becomes a covered institution and when the bank must report its first stress test. The OCC is amending the transition period in section 46.3(b) to conform to the other changes in this proposal, including the establishment of annual and biennial stress testing covered institutions. Under the proposal, "A national bank or Federal savings association that becomes a covered institution shall conduct its first stress test under this part in the first reporting year that begins more than three calendar quarters after the date the national bank or Federal savings association becomes a covered institution, unless otherwise determined by the OCC in writing." For

example, if a covered institution that conducts stress tests on a biennial basis becomes a covered institution on March 31 of a non-reporting year (*e.g.*, 2023), the bank must report its first stress test in the subsequent calendar year (*i.e.*, 2024), which is its first reporting year. If the same bank becomes a covered institution on April 1 of a non-reporting year, it skips the subsequent calendar year and reports its first stress test in the next reporting year (*i.e.*, 2026). As with other aspects of the stress test rule, the OCC may change the transition period for particular covered institutions, as appropriate in light of the nature and level of the activities, complexity, risks, operations, and regulatory capital of the covered institutions, in addition to any other relevant factors.

The proposal would not establish a transition period for covered institutions that move from a biennial stress testing requirement to an annual stress testing requirement. Accordingly, a covered institution that becomes an annual stress testing covered institution would be required to begin stress testing annually as of the next reporting year. The OCC expects covered institutions to anticipate and make arrangements for this development. To the extent that particular circumstances warrant the extension of a transition period, the OCC would do so based on its reservation of authority and supervisory discretion.

E. Review by Board of Directors

The current section 46.6 of the stress testing rule requires the board of directors of a covered institution, or a committee thereof, to review and approve the covered institution's stress testing policies and procedures as frequently as economic conditions or the condition of the institution may warrant, but no less than annually. The proposal would revise the frequency of this requirement from "annual" to "once every reporting year" in order to make review by the board of directors consistent with the covered institution's stress testing cycle.

F. Reservation of Authority

Section 46.5 of the stress testing rule states the OCC’s reservation of the authority, pursuant to which the OCC may revise the frequency and methodology of the stress testing requirement as appropriate for particular covered institutions. The OCC is proposing to add the following sentence to paragraph (a)(2) of § 46.5 to further clarify its reservation of authority: “The OCC may also exempt one or more covered institutions from the requirement to conduct a stress test in a particular reporting year.”

G. Removal of Transition Language

The proposal would remove certain transition language present in the current stress testing rule that is no longer current. For example, the proposal would strike the following sentence from paragraph (a)(2) of § 46.6: “Until December 31, 2015, or such other date specified by the OCC, a covered institution is not required to calculate its risk-based capital requirements using the internal ratings-based and advanced measurement approaches as set forth in 12 CFR part 3, subpart E.”

III. Request for Comment

The OCC invites comment on all aspects of this proposed rule, including the following questions:

1. The proposal would require a covered institution that is consolidated under a holding company that is required to conduct a stress test at least once every calendar year to treat every calendar year as a reporting year, unless otherwise determined by the OCC. Is this the appropriate frequency for this group of banks? What are the advantages and disadvantages of requiring a covered institution to conduct a stress test at the same frequency as, or at a different frequency than, its holding company?
2. As an alternative to the requirement that a covered institution be required to stress

test annually based on the stress testing requirements of its holding company, should the OCC establish separate criteria to capture certain large banks (*e.g.*, banks above a specified asset threshold), regardless of whether they are consolidated under a holding company?

3. All other covered institutions that are not required to stress test annually would be required to stress test biennially. Is this the appropriate frequency for this category of banks? Should the OCC further subdivide covered institutions into additional categories that would be subject to different frequency requirements?

4. Is the length of the grace period for new covered institutions appropriate? Should the proposal establish a transition period for covered institutions that are already required to stress test and that move from a biennial stress testing requirement to an annual stress testing requirement?

IV. Regulatory Analysis

A. Riegle Community Development and Regulatory Improvement Act (RCDRIA)

The RCDRIA requires that the OCC, in determining the effective date and administrative compliance requirements of new regulations that impose additional reporting, disclosure, or other requirements on insured depository institutions (“IDIs”), consider, consistent with principles of safety and soundness and the public interest, any administrative burdens that such regulations would place on depository institutions, including small depository institutions, and customers of depository institutions, as well as the benefits of such regulations. 12 U.S.C. 4802. In addition, in order to provide an adequate transition period, new regulations that impose additional reporting, disclosures, or other new requirements on IDIs generally must take effect on the first day of a calendar quarter that begins on or after the date on which the regulations are published in final form.

The proposed rule imposes no additional reporting, disclosure, or other requirements on IDIs, including small depository institutions, nor on the customers of depository institutions. The proposed rule would reduce the frequency of company-run stress tests for a subset of banks, raise the threshold for covered institutions from \$10 billion to \$250 billion, and reduce the number of required stress test scenarios from three to two for all banks. Nonetheless, in connection with determining an effective date for the proposed rule, the OCC invites comment on any administrative burdens that the proposed rule would place on depository institutions, including small depository institutions, and customers of depository institutions.

B. Regulatory Flexibility Act

The Regulatory Flexibility Act, 5 U.S.C. 601 *et seq.* (“RFA”), requires an agency, in connection with a proposed rule, to prepare an Initial Regulatory Flexibility Analysis describing the impact of the proposed rule on small entities (defined by the Small Business Administration (“SBA”) for purposes of the RFA to include banking entities with total assets of \$550 million or less) or to certify that the proposed rule would not have a significant economic impact on a substantial number of small entities.

As of December 31, 2017, the OCC supervised approximately 886 small entities.⁹ Because the proposed rule would only cover OCC-supervised banks with more than \$250 billion in consolidated assets, the OCC anticipates that it would not impose additional costs on any

⁹ The OCC bases its estimate of the number of small entities on the SBA’s size thresholds for commercial banks and savings institutions, and trust companies, which are \$550 million and \$38.5 million, respectively. Consistent with the General Principles of Affiliation 13 CFR §121.103(a), the OCC counts the assets of affiliated financial institutions when determining if it should classify an OCC-supervised institution as a small entity. The OCC uses December 31, 2017, to determine size because a “financial institution’s assets are determined by averaging the assets reported on its four quarterly financial statements for the preceding year.” *See* footnote 8 of the U.S. Small Business Administration’s *Table of Size Standards*.

OCC-supervised institutions. Therefore, the OCC certifies that the proposed rule would not have a significant economic impact on a substantial number of OCC-supervised small entities.

C. Paperwork Reduction Act of 1995

The Paperwork Reduction Act of 1995 (44 U.S.C. 3501-3521) states that no agency may conduct or sponsor, nor is the respondent required to respond to, an information collection unless it displays a currently valid Office of Management and Budget (OMB) control number. The information collection requirements in the proposal are found in §§ 46.6 through 46.8.

Currently, § 46.6(c) requires that each covered institution establish and maintain a system of controls, oversight, and documentation, including policies and procedures, describing the covered institution's stress test practices and methodologies, and processes for validating and updating the covered institution's stress test practices. The board of directors of the covered institution must approve and review these policies at least annually. Section 46.7(a) requires each covered institution to report the results of their stress tests to the OCC annually. Section 46.8(a) requires that a covered institution publish a summary of the results of its annual stress tests on its website or in any other forum that is reasonably accessible to the public.

Under the proposal, the increase in the applicability threshold for these requirements under the proposal would reduce the estimated number of respondents. In addition the frequency of these reporting, recordkeeping, and disclosure requirements for some institutions would be decreased to biennial.

Estimated number of respondents: 8 (biennial testing: 4; annual testing: 4)

Estimated total annual burden: 6,240 hours.

Comments are requested on:

(a) Whether the information collections are necessary for the proper performance of the OCC's functions, including whether the information has practical utility;

(b) The accuracy of the OCC's estimates of the burden of the information collections, including the validity of the methodology and assumptions used;

(c) Ways to enhance the quality, utility, and clarity of the information to be collected;

(d) Ways to minimize the burden of information collections on respondents, including through the use of automated collection techniques or other forms of information technology;
and

(e) Estimates of capital or start-up costs and costs of operation, maintenance, and purchase of services to provide information.

D. Unfunded Mandates Reform Act of 1995

The OCC analyzed the proposed rule under the factors set forth in the Unfunded Mandates Reform Act of 1995 (2 U.S.C. 1532). Under this analysis, the OCC considered whether the proposed rule includes a federal mandate that may result in the expenditure by state, local, and Tribal governments, in the aggregate, or by the private sector, of \$100 million or more in any one year (adjusted annually for inflation).

The proposed rule does not impose new mandates. Therefore, the OCC concludes that implementation of the proposed rule would not result in an expenditure of \$100 million or more annually by state, local, and tribal governments, or by the private sector.

E. Plain Language

Section 722 of the Gramm-Leach-Bliley Act requires the OCC to use plain language in all proposed and final rules published after January 1, 2000. The OCC invites comment on how to make this proposed rule easier to understand.

For example:

- Has the OCC organized the material to inform your needs? If not, how could the OCC present the proposed rule more clearly?
- Are the requirements in the proposed rule clearly stated? If not, how could the proposal be more clearly stated?
- Does the proposed regulation contain technical language or jargon that is not clear? If so, which language requires clarification?
- Would a different format (grouping and order of sections, use of headings, paragraphing) make the proposed regulation easier to understand? If so, what changes would achieve that?
- Is this section format adequate? If not, which of the sections should be changed and how?
- What other changes can the OCC incorporate to make the proposed regulation easier to understand?

List of Subjects

12 CFR Part 46

Banking, Banks, Capital, Disclosures, National banks, Recordkeeping, Reporting, Risk, Stress test.

Authority and Issuance

For the reasons stated in the preamble, the OCC proposes to amend 12 CFR part 46 as follows:

PART 46 – STRESS TESTING

1. The heading for part 46 is revised to read as set forth above.
2. The authority citation for part 46 continues to read as follows:

Authority: 12 U.S.C. 93a; 1463(a)(2); 5365(i)(2); and 5412(b)(2)(B).

3. Section 46.2 is amended by:

a. Removing the definitions for “\$10 to \$50 billion covered institution” and “\$50 billion or over covered institution”.

b. Revising the definitions of “*Covered institution*” and “*Scenarios*”; and

c. Adding a definition for “*Reporting year*” in alphabetical order.

The additions and revisions read as follows:

§ 46.2 Definitions.

* * * * *

Covered institution means a national bank or Federal savings association with average total consolidated assets, calculated as required under this part, that are greater than \$250 billion.

* * * * *

Reporting year means the calendar year in which a covered institution must conduct, report, and publish its stress test.

* * * * *

Scenarios means sets of conditions that affect the U.S. economy or the financial condition of a covered institution that the OCC determines are appropriate for use in the stress tests under this part, including, but not limited to, baseline and severely adverse scenarios.

* * * * *

4. Section 46.3 is amended by:

a. Revising paragraph (b);

b. Removing subparagraph (c)(2);

c. Redesignating subparagraph (c)(1) as paragraph (c);

- d. Revising newly designated paragraph (c); and
- e. Removing paragraph (d).

The revisions read as set forth below:

§ 46.3 Applicability.

* * * * *

(b) *Covered institutions that become subject to stress testing requirements.* A national bank or Federal savings association that becomes a covered institution shall conduct its first stress test under this part in the first reporting year that begins more than three calendar quarters after the date the national bank or Federal savings association becomes a covered institution, unless otherwise determined by the OCC in writing.

(c) *Ceasing to be a covered institution or changing categories.* A covered institution shall remain subject to the stress test requirements until total consolidated assets of the covered institution falls below the relevant size threshold for each of four consecutive quarters as reported by the covered institution's most recent Call Reports, effective on the “as of” date of the fourth consecutive Call Report.

* * * * *

5. Section 46.4 is amended by adding a sentence at the end of paragraph (a)(2) to read as follows:

§ 46.4 Reservation of authority.

(a) * * *

(2) * * * The OCC may also exempt one or more covered institutions from the requirement to conduct a stress test in a particular reporting year.

* * * * *

6. Section 46.5 is amended by:
- a. Revising the section heading;
 - b. Removing the word “annual” in the introductory text;
 - c. Revising paragraphs (a) and (b); and
 - d. Adding a new paragraph (e).

The revisions and addition read as follows:

§ 46.5 Stress testing.

* * * * *

(a) *Financial data.* A covered institution must use financial data available as of December 31 of the calendar year prior to the reporting year.

(b) *Scenarios provided by the OCC.* In conducting the stress test under this part, each covered institution must use the scenarios provided by the OCC. The scenarios provided by the OCC will reflect a minimum of two sets of economic and financial conditions, including baseline and severely adverse scenarios. The OCC will provide a description of the scenarios required to be used by each covered institution no later than February 15 of the reporting year.

* * * * *

(e) *Frequency.* A covered institution that is consolidated under a holding company that is required, pursuant to applicable regulations of the Board of Governors of the Federal Reserve, to conduct a stress test at least once every calendar year must treat every calendar year as a reporting year, unless otherwise determined by the OCC. All other covered institutions must treat every even-numbered calendar year beginning January 1, 2020 (*i.e.*, 2022, 2024, 2026, etc.), as a reporting year, unless otherwise determined by the OCC.

* * * * *

7. Section 46.6 is amended by:

a. Revising paragraph (a), subparagraph (2), by removing the last sentence.

b. Revising paragraph (c), subparagraph (2), by removing the word “annually” and replacing it with the phrase “once every reporting year”.

8. Section 46.7 is amended by:

a. Revising paragraph (a);

b. Removing paragraph (b); and

c. Redesignating paragraph (c) as paragraph (b).

The revision reads as set forth below:

§ 46.7 Reports to the Office of the Comptroller of the Currency and the Federal Reserve Board.

* * * * *

(a) *Timing.* A covered institution must report to the OCC and to the Board of Governors of the Federal Reserve System, on or before April 5 of the reporting year, the results of the stress test in the manner and form specified by the OCC.

* * * * *

9. Section 46.8 is amended by:

a. Redesignating paragraph (a)(1) as paragraph (a) introductory text and revising it;

b. Redesignating paragraphs (a)(1)(i) and (a)(1)(ii) as paragraphs (a)(1) and (a)(2), respectively; and

c. Revising paragraph (b) by:

i. Removing the phrase “an annual company-run” and adding the phrase “a company-run” in its place; and

ii. Removing the phrase “annual stress test” in the second sentence and adding the phrase “stress test” in its place.

The revision reads as set forth below.

§ 46.8 Publication of disclosures.

* * * * *

(a) *Publication date.* A covered institution must publish a summary of the results of its stress test in the period starting June 15 and ending July 15 of the reporting year, provided:

* * * * *

**[THIS SIGNATURE PAGE RELATES TO THE PROPOSED RULE TITLED
“AMENDMENTS TO THE STRESS TESTING RULES FOR NATIONAL BANKS AND
FEDERAL SAVINGS ASSOCIATIONS.”]**

Dated: 12/18/2018

/s/

William A. Rowe,
Chief Risk Officer.