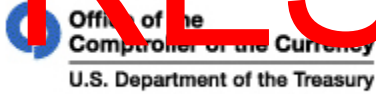


RESCINDED



Transmittal - See OCC 2015-xx

OCC BULLETIN 1997-43

**Subject: Risk-Based Capital - Section 208 of
CDRIA**
Date: November 13, 1997

**To: Chief Executive Officers of National Banks,
Department and Division Heads, Examining
Personnel and Other Interested Parties**

Description: Final Rule

On October 24, 1997, the OCC, the Federal Deposit Insurance Corporation, and the Office of Thrift Supervision (agencies) published the attached joint final rule. The final rule, effective January 1, 1998, adopts without change the OCC's interim rule (60 FR 47455, September 13, 1995).

Section 208 of the Riegle Community Development and Regulatory Improvement Act of 1994 required the agencies to change the risk-based capital treatment of transfers of small business obligations with recourse. As under the interim rule, this final rule allows a "qualified insured depository institution" to include in its risk-weighted assets, for purposes of applicable capital standards and other capital measures, only the amount of the retained recourse multiplied by the appropriate risk-weight percentage.

To qualify, an institution must be either well capitalized (without considering the effect of this treatment) or, with the approval of its appropriate federal banking agency, adequately capitalized. Further, the depository institution must establish a non-capital reserve sufficient to meet the reasonable estimated liability under the recourse arrangement. The total outstanding amount of recourse retained by the bank on transfers of small business obligations to which this final rule applies generally may not exceed 15 percent of the bank's total risk-based capital.

For further information about this bulletin, contact the Office of the Chief National Bank Examiner (202) 649-6370.

Emory W. Rushton
Senior Deputy Comptroller Bank Supervision Policy

Related Links

- [Final Rule 62 FR 55489](#)