



RESCINDED

OCC 2012-36

Subject: Lending Limits
Date: November 14, 2012

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

Outdated

Description: Notice of Compliance Extension

The Office of the Comptroller of the Currency (OCC) is providing notice that it intends to extend from January 1, 2013, to April 1, 2013, the temporary exception for the application of its lending limits rule, 12 CFR 32, to certain credit exposures arising from derivative and securities financing transactions. The OCC is providing national banks and federal and state savings associations (collectively, banks) advance notice of this compliance date change to allow time to adjust preparations for compliance accordingly.

Section 610 of the Dodd–Frank Wall Street Reform and Consumer Protection Act of 2010 revised, for purposes of the lending limits, the statutory definition of loans and extensions of credit to include certain credit exposures arising from a derivative transaction, repurchase agreement, reverse repurchase agreement, securities lending transaction, or securities borrowing transaction. In June 2012, the OCC issued an interim final rule implementing this statutory change. The interim final rule also integrated the OCC's lending limits rules for national banks and federal and state savings associations into part 32. This rule was effective July 21, 2012.¹ The rule gave institutions until January 1, 2013, to comply with the rule's requirements as to derivative transactions and securities financing transactions. The OCC provided this short-term exception under its lending limits authority to allow time for these institutions to adjust for compliance with the new standard.

Based on the comments received on the interim final rule, the OCC believes that the January 1, 2013, expiration of the temporary exception for the application of the section 610-related provisions likely would not provide sufficient time for institutions to develop and implement appropriate policies and procedures to comply with these provisions. Therefore, when issuing a final rule, the OCC intends to extend this temporary exception until April 1, 2013. The OCC expects to publish its final rule before the end of this year.

As indicated in the preamble to the interim final rule, notwithstanding this extension the OCC retains the ability to address credit exposures that present undue concentrations on a case-by-case basis through our existing safety and soundness authorities.

For Further Information

Please direct questions and comments to any of the following OCC officials: Jonathan Fink, Assistant Director, Bank Activities and Structure Division, (202) 874-5300; Heidi M. Thomas, Special Counsel, Legislative and Regulatory Activities Division, (202) 874-5090; or Kurt Wilhelm, Director for Financial Markets, (202) 874-4479.

Thomas J. Curry
Comptroller of the Currency

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