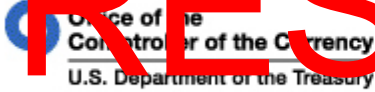


# RESCINDED



OCC BULLETIN 2018-32

**Subject: Liquidity Coverage Ratio Rule:  
Treatment of Certain Municipal  
Obligations as High-Quality Liquid  
Assets  
Date: September 26, 2018**

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

Replaced: See OCC 2019-27

**Description: Interim Final Rule**

## Summary

The Office of the Comptroller of the Currency (OCC) published an interim final rule in the Federal Register on August 31, 2018, that amends the OCC's liquidity coverage ratio (LCR) rule to treat liquid and readily-marketable, investment grade municipal obligations as high-quality liquid assets (HQLA). The interim final rule was issued jointly with the Board of Governors of the Federal Reserve System (Board) and the Federal Deposit Insurance Corporation (FDIC) (collectively, the agencies).

The effective date of the interim final rule is August 31, 2018.

## Note for Community Banks

The interim final rule applies to all banks for which the LCR rule applies.

## Background

Section 403 of the Economic Growth, Regulatory Relief, and Consumer Protection Act (EGRRCPA), enacted on May 24, 2018, requires the agencies, for purposes of the LCR rule and any other regulation that incorporates a definition of the term "high-quality liquid asset" or another substantially similar term, to treat a municipal obligation as HQLA that is a level 2B liquid asset if that obligation is, as of a bank's LCR calculation date, liquid and readily-marketable and investment grade.

This interim final rule amends the agencies' LCR rule to implement section 403 of the EGRRCPA.

## Further Information

Please contact Christopher McBride, Director, James Weinberger, Technical Expert, or Ang Middleton, Bank Examiner (Risk Specialist), Treasury and Market Risk Policy, (202) 649-6360; David Stankiewicz, Special Counsel, (202) 649-5510, Henry Barkhausen, Counsel, (202) 649-5490, or Daniel Perez, Attorney, (202) 649-5490, Chief Counsel's Office.

Bao Nguyen  
Acting Senior Deputy Comptroller and Chief Counsel

**Related Link**

- [Liquidity Coverage Ratio Rule: Treatment of Certain Municipal Obligations as High-Quality Liquid Assets](#)

RESCINDED