

RESCINDED

OCC Bulletin 2020-36 | April 9, 2020

Capital Treatment for Paycheck Protection Program: Interim Final Rule

Summary

Replaced: See OCC 2020-96

The Office of the Comptroller of the Currency (OCC), the Board of Governors of the Federal Reserve System and the Federal Deposit Insurance Corporation (collectively, the agencies) today approved an interim final rule that implements the capital treatment for loans originated pursuant to the U.S. Small Business Administration's Paycheck Protection Program. The interim final rule neutralizes the regulatory capital effect of participation in the Paycheck Protection Program Liquidity Facility (PPPL Facility) announced on Tuesday, April 7, 2020, by the Federal Reserve. The PPPL Facility provides liquidity to small business lenders and the broader credit markets. The Small Business Administration's Paycheck Protection Program was established by section 1102 of the Coronavirus Aid, Relief, and Economic Security (CARES) Act.¹

To

Chief Executive Officers of All National Banks and Federal Savings Associations; Department and Division Heads; All Examining Personnel; and Other Interested Parties

Note for Community Banks

This interim final rule applies to all community banks² that originate loans under Section 1102 (Paycheck Protection Program) of the CARES Act.

Highlights

The interim final rule

- allows a bank to assign a zero percent risk weight to any loan originated under section 1102 of the CARES Act.

- allows a bank to exclude any loan originated pursuant to the Small Business Administration's Paycheck Protection Program and pledged to the PPPL Facility from its standardized total risk-weighted assets, average total consolidated assets, advanced approaches total risk-weighted assets, and total leverage exposure, as applicable.

Further Information

Please contact Margot Schwadron, Director for Capital Policy, or Andrew Tschirhart, Risk Expert for Capital Policy, at (202) 649-6370; or Carl Kaminski, Special Counsel, or Chris Rafferty, Counsel, Chief Counsel's Office, at (202) 649-5490.

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Related Links

- ["Regulatory Capital Rule: Paycheck Protection Program Lending Facility and Paycheck Protection Program Loans"](#) (PDF)
- OCC Bulletin 2020-31, [Small Business Administration Lending: New Programs for Small Business Relief](#)

¹Refer to Pub. L. 116-136.

²The term "banks" refers to national banks and federal savings associations.