RESCINDED

Office of Thrift Supervision
Department of the Treasury

Thomas A. Barnes
Deputy Director, Examinations, Supervision and Consumer Protection

1700 G Street, N.W., Washington, DC 20552 • (202) 906-5650

This rescission applies to the transmitting document only and not the attached interagency guidance. Refer to (OCC 2010-10) for the status of the attached interagency guidance.

February 26, 2010

MEMORANDUM FOR: **CHIEF EXECUTIVE OFFICERS**

FROM: Thomas A. Barnes, Deputy Director
Examinations, Supervision, and Consumer Protection

Thomas A. Barnes

SUBJECT: Risk Weighting of Claims on and Guarantees of the Federal Deposit Insurance Corporation (FDIC)

The Office of Thrift Supervision, together with the other federal financial institution regulatory agencies, has issued this Joint Statement clarifying the appropriate risk weight for various claims on and guarantees of the FDIC. Assets covered by the statement include FDIC-insured deposits, pre-paid assessments of deposit insurance premiums, debt guaranteed under the FDIC's Temporary Liquidity Guarantee Program, and FDIC Loss Sharing Agreements. This Joint Statement further reminds savings associations to consult their regional offices to determine the appropriate risk weights for specific FDIC loss sharing agreements.

Please contact Teresa A. Scott, Senior Analyst, Capital Policy at (202) 906-6478, or your Regional Office if you have questions.

Attachment

Joint Statement

Board of Governors of the Federal Reserve System
Federal Deposit Insurance Corporation
Office of the Comptroller of the Currency
Office of Thrift Supervision

February 26, 2010

Clarification of the Risk Weight for Claims on or Guaranteed by the FDIC

The federal banking agencies (Office of the Comptroller of the Currency, the Federal Reserve Board, the Federal Deposit Insurance Corporation (FDIC), and the Office of Thrift Supervision) are clarifying the risk weights for claims on or guaranteed by the FDIC for purposes of banking organizations' risk-based capital requirements.

Under the agencies' risk-based capital guidelines, direct claims on and claims unconditionally guaranteed by the FDIC, such as FDIC-insured deposits, prepaid assessments of deposit insurance premiums, debt guaranteed under the FDIC's Temporary Liquidity Guarantee Program, and similarly guaranteed debt, may be assigned a zero percent risk weight.

By contrast, recent loss-sharing agreements entered into by the FDIC with acquirers of assets from failed institutions are considered conditional guarantees for risk-based capital purposes due to contractual conditions that acquirers must meet. The guaranteed portion of assets subject to a loss-sharing agreement may be assigned a 20 percent risk weight. Because the structural arrangements for these agreements vary depending on the specific terms of each agreement, institutions should consult with their primary federal regulator to determine the appropriate risk-based capital treatment for specific loss-sharing agreements.