

# Proposed Rules

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This section of the FEDERAL REGISTER contains notices to the public of the proposed issuance of rules and regulations. The purpose of these notices is to give interested persons an opportunity to participate in the rule making prior to the adoption of the final rules.

## DEPARTMENT OF THE TREASURY

### Office of the Comptroller of the Currency

12 CFR Parts 4, 5, 7, 8, 28, and 34

[Docket ID OCC–2011–0006]

RIN 1557–AD41

### Office of Thrift Supervision Integration; Dodd-Frank Act Implementation; Correction

#### Correction

In proposed rule document 2011–13887 appearing on page 32332 in the issue of Monday, June 6, 2011, make the following correction:

In the second column, in the **SUPPLEMENTARY INFORMATION** section, in the first paragraph, in the tenth line, “*regs.comments@occ.treas.gov*” should read “*regs.comments@occ.gov*”.

[FR Doc. C1–2011–13887 Filed 6–23–11; 8:45 am]

BILLING CODE 4810–33–P

## DEPARTMENT OF THE TREASURY

### Office of the Comptroller of the Currency

12 CFR Part 45

[Docket No. OCC–2011–0008]

RIN 1557–AD43

### BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

12 CFR Part 237

[Docket No. R–1415]

RIN 7100 AD74

### FEDERAL DEPOSIT INSURANCE CORPORATION

12 CFR Part 324

RIN 3064–AD79

### FARM CREDIT ADMINISTRATION

12 CFR Part 624

RIN 3052–AC69

### FEDERAL HOUSING FINANCE AGENCY

12 CFR Part 1221

RIN 2590–AA45

### Margin and Capital Requirements For Covered Swap Entities

**AGENCY:** Office of the Comptroller of the Currency, Treasury (OCC); Board of Governors of the Federal Reserve System (Board); Federal Deposit Insurance Corporation (FDIC); Farm Credit Administration (FCA); and the Federal Housing Finance Agency (FHFA).

**ACTION:** Proposed rule; extension of comment period.

**SUMMARY:** On May 11, 2011, the OCC, Board, FDIC, FCA, and FHFA (collectively, the Agencies) published in the **Federal Register** a joint notice of proposed rulemaking for public comment to establish minimum margin and capital requirements for registered swap dealers, major swap participants, security-based swap dealers, and major security-based swap participants for which one of the Agencies is the prudential regulator (the proposed rule).

Due to the complexity of the rulemaking, to allow parties more time

to consider the impact of the proposed rule, and so that the comment period on the proposed rule will run concurrently with the comment period for similar margin and capital requirements proposed by the Commodity Futures Trading Commission, the Agencies have determined that an extension of the comment period until July 11, 2011 is appropriate. This action will allow interested persons additional time to analyze the proposed rules and prepare their comments.

**DATES:** Comments on the proposed rule must be received on or before July 11, 2011.

**ADDRESSES:** You may submit comments by any of the methods identified in the proposed rule. Please submit your comments using only one method.

**FOR FURTHER INFORMATION CONTACT:** OCC: Michael Sullivan, Director, Market RAD (202) 874–3978, Kurt Wilhelm, Director, Financial Markets Group (202) 874–4479, Jamey Basham, Assistant Director, Legislative and Regulatory Activities Division (202) 874–5090, or Ron Shimabukuro, Senior Counsel, Legislative and Regulatory Activities Division (202) 874–5090, Office of the Comptroller of the Currency, 250 E Street, SW., Washington, DC 20219.

*Board:* Sean D. Campbell, Deputy Associate Director, Division of Research and Statistics, (202) 452–3761, Michael Gibson, Senior Associate Director, Division of Research and Statistics, (202) 452–2495, or Jeremy R. Newell, Senior Attorney, Legal Division, (202) 452–3239, Board of Governors of the Federal Reserve System, 20th and C Streets, NW., Washington, DC 20551.

*FDIC:* Bobby R. Bean, Chief, Policy Section, (202) 898–6705, John Feid, Senior Capital Markets Specialist, (202) 898–8649, Division of Risk Management Supervision, Thomas F. Hearn, Counsel, (202) 898–6967, or Ryan K. Clougherty, Senior Attorney, (202) 898–3843, Legal Division, Federal Deposit Insurance Corporation, 550 17th Street, NW., Washington, DC 20429.

*FHFA:* Robert Collender, Principal Policy Analyst, Office of Policy Analysis and Research, 202–343–1510, *Robert.Collender@fhfa.gov*, Peggy Balsawer, Assistant General Counsel, Office of General Counsel, 202–343–1529, *Peggy.Balsawer@fhfa.gov*, or James Carley, Senior Associate Director, Division of FHLBank Regulation, 202–408–2507, *James.Carley@fhfa.gov*,

Federal Housing Finance Agency, Fourth Floor, 1700 G Street, NW., Washington, DC 20552. The telephone number for the Telecommunications Device for the Hearing Impaired is (800) 877-8339.

*FCA:* William G. Dunn, Acting Associate Director, Finance and Capital Markets Team, Office of Regulatory Policy, Farm Credit Administration, McLean, VA 22102-5090, (703) 883-4414, TTY (703) 883-4434, Joseph T. Connor, Associate Director for Policy and Analysis, Office of Secondary Market Oversight, Farm Credit Administration, McLean, VA 22102-5090, (703) 883-4280, TTY (703) 883-4434, or Rebecca S. Orlich, Senior Counsel, Office of General Counsel, Farm Credit Administration, McLean, VA 22102-5090, (703) 883-4020, TTY (703) 883-4020.

**SUPPLEMENTARY INFORMATION:** On May 11, 2011, the proposed rule was published in the *Federal Register*.<sup>1</sup> The proposed rule would establish minimum margin and capital requirements for registered swap dealers, major swap participants, security-based swap dealers, and major security-based swap participants for which one of the Agencies is the prudential regulator, as required under sections 731 and 764 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the Dodd-Frank Act).<sup>2</sup> Sections 731 and 764 of the Dodd-Frank Act add a new section 4s to the Commodity Exchange Act and a new section 15F to the Securities Exchange Act of 1934, respectively, which require the registration and regulation of swap dealers and major swap participants and security-based swap dealers and major security-based swap participants (collectively, swap entities). For certain types of swap entities that are prudentially regulated by one of the Agencies, sections 731 and 764 of the Dodd-Frank Act require the Agencies to adopt rules jointly for swap entities under their respective jurisdictions imposing (i) capital requirements and (ii) initial and variation margin requirements on all non-cleared swaps and non-cleared security-based swaps. In recognition of the complexities of the rulemaking and the variety of considerations involved in its impact and implementation, the Agencies requested that commenters respond to numerous questions. The proposed rule

stated that the public comment period would close on June 24, 2011.<sup>3</sup>

The Agencies have received requests from the public for an extension of the comment period.<sup>4</sup> The Agencies believe that it is important to allow parties more time to consider the impact of the proposed rule, and to extend the comment period on the proposed rule so that it will run concurrently with the comment period for similar margin and capital requirements proposed by the Commodity Futures Trading Commission.<sup>5</sup> Therefore, the Agencies are extending the deadline for submitting comments on the proposed rule from June 24, 2011 to July 11, 2011.

Dated: June 21, 2011.

**Julie L. Williams,**

*First Senior Deputy Comptroller and Chief Counsel.*

By order of the Board of Governors of the Federal Reserve System, acting through the Secretary under delegated authority, June 22, 2011.

**Jennifer J. Johnson,**

*Secretary of the Board.*

Dated at Washington, DC, this 21 of June 2011.

Federal Deposit Insurance Corporation.

**Robert E. Feldman,**

*Executive Secretary.*

**Dale L. Aultman**

*Secretary, Farm Credit Administration Board.*

Dated: June 21, 2011.

**Stephen M. Cross,**

*Deputy Director of the Division of Bank Regulation.*

By delegation,

Federal Housing Finance Agency.

[FR Doc. 2011-16004 Filed 6-23-11; 8:45 am]

**BILLING CODE 6714-01-8070-01-6705-01-6210-01-4810-33-P**

## NATIONAL CREDIT UNION ADMINISTRATION

### 12 CFR Part 703

#### Financial Derivatives Transactions To Offset Interest Rate Risk; Investment and Deposit Activities

**AGENCY:** National Credit Union Administration.

**ACTION:** Advance Notice of Proposed Rulemaking.

**SUMMARY:** Through this Advance Notice of Proposed Rulemaking (“ANPR”), the National Credit Union Administration

<sup>3</sup> See *id.*

<sup>4</sup> See comment letter to the OCC, Board, and FDIC from American Bankers Association *et al.* (June 17, 2011).

<sup>5</sup> See 76 FR 23732; 76 FR 27621.

(“NCUA”) requests public comments on whether and how to modify its rule on investment and deposit activities to permit a natural person credit union to engage in the purchase and sale of financial derivatives for the purpose of offsetting interest rate risk. Although permitted by law, NCUA currently allows only a limited number of credit unions, on a case-by-case basis, to engage in such transactions under an investment pilot program.

**DATES:** Comments must be received on or before August 23, 2011.

**ADDRESSES:** You may submit comments by any one of the following methods (Please send comments by one method only):

- *Federal eRulemaking Portal:* <http://www.regulations.gov>. Follow the instructions for submitting comments.

- *NCUA Web Site:* [http://www.ncua.gov/RegulationsOpinionsLaws/proposed\\_regs/proposed\\_regs.html](http://www.ncua.gov/RegulationsOpinionsLaws/proposed_regs/proposed_regs.html). Follow the instructions for submitting comments.

- *E-mail:* Address to [regcomments@ncua.gov](mailto:regcomments@ncua.gov). Include “[Your name] Comments on Part 703 ANPR, Financial Derivatives Transactions to Offset Interest Rate Risk” in the e-mail subject line.

- *Fax:* (703) 518-6319. Use the subject line described above for e-mail.

- *Mail:* Address to Mary Rupp, Secretary of the Board, National Credit Union Administration, 1775 Duke Street, Alexandria, Virginia 22314-3428.

- *Hand Delivery/Courier:* Same as mail address.

**FOR FURTHER INFORMATION CONTACT:**

Jeremy Taylor, Senior Capital Market Specialist, *telephone:* 703/518-6628.

**SUPPLEMENTARY INFORMATION:**

#### I. Background

A. *Financial Derivatives Transactions.* A financial “derivative” is a financial contract, the value of which is derived from the performance of an underlying asset or market index. An interest rate “swap,” for example, may be tied to short-term “LIBOR rates,” which are variable, and long-term “swap rates,” which are fixed. The parties to an interest rate “swap” transaction can agree to exchange fixed cash flows for variable cash flows. The purpose may be either speculative or to reduce risk.

A credit union may enter into a derivatives transaction to protect itself against interest rate risk. For example, a credit union that has invested its deposits in a portfolio of mortgages that pays a fixed rate of interest is exposed to risk of an upward movement in interest rates. On members’ variable rate

<sup>1</sup> See 76 FR 27564.

<sup>2</sup> Dodd-Frank Wall Street Reform and Consumer Protection Act, Public Law 111-203, 124 Stat. 1376 (2010).