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Proposal: 1569(RIN 7100-AE82) Reg. K , LL - Large Financial Institution Rating System
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Comments:

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Proposal:Regulations K and LL: Large Financial Institution Rating System [R-1569]

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Your comment:To answer the question that the agency has requested in order:

1. There are a few considerations that should be taken into account when trying to attribute a quite subjective rating system into account. First off, there should be clear, quantitative requirements when it comes to liquidity management and capital planning. For the aforementioned monitored activities, financial institutions should have a standardized % requirement based on the capital available for the firm. From previous experience, regulators will be subjective in determining ratings for risk management, which is not only extremely frustrating but also costly if reviews do not go as planned. Secondly, for governance and controls, instead of changing many corporate structures to have a new audit chief executive, why not place a member of the FRS/FRB to be employed by any financial institution who falls under the proposed rule changes. Many institutions have their own perceived risk scale, however, this should be quantified as well. As well as this, in terms of risk management, there should be a standardized approach to which risk is applied to a wide variety of financial instruments, deal-making, as well as disruption coming to industry practices using cryptocurrency technology (this is another topic for regulation alone). These changes alone would make it clearer what rules financial institutions will come in and avoid costs involved with compliance related issues.

2. Yes

3. Not clear enough, see my comments for number 1. It's extremely unproductive to have subjective rating systems for financial institutions to be able to comply with regulations.

4. No, again, quantitative assignments need to be associated with these ratings.

5. Absolutely not, it is not the responsibility of a financial institution to assess their own impact on the entirety of the world's financial system. This should be a function of the FRS/FRB in evaluating individual securities and the financial instruments on a macro level and promulgating regulations to individual securities to ensure capital safety.

6. As I stated in my answer for #1, there should be an assigned employee at each institution to ensure regulations are being met and the financial institutions in question will have more tangibility in what they are being asked to comply with.

7. I would urge the FRS/FRB to use cryptocurrency technologies to increase the transparency of transactions and liquidity issues in order to streamline processes in order to lower compliance costs and improve autonomy of these financial institutions