



BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM

WASHINGTON, D.C. 20551

DIVISION OF SUPERVISION
AND REGULATION

SR 20-XX

_____, 2020

The provisions of this SR Letter are intended to become effective on January 1, 2021. Although the LISCC program will no longer supervise the U.S. operations of any foreign banking organization given their current risks, the Federal Reserve is seeking input on the appropriate criteria for including foreign banking organizations in the LISCC supervisory program in the future should the risk of their U.S. operations increase and intends to update the SR Letter to include such criteria prior to March 31, 2021. Views of affected institutions and other interested parties received before December 7, 2020, will be considered in determining the appropriate criteria for including foreign banking organizations in the LISCC supervisory program in the future and whether to make any additional adjustments in these provisions.

**TO THE OFFICER IN CHARGE OF SUPERVISION
AT EACH FEDERAL RESERVE BANK**

SUBJECT: Firms Subject to the LISCC Supervisory Program

Applicability: This letter only applies to bank holding companies, savings and loan holding companies, and nonbank financial companies subject to the Large Institution Supervision Coordinating Committee (LISCC) supervisory program.

The Federal Reserve established the Large Institution Supervision Coordinating Committee (LISCC) in 2010 to coordinate the Federal Reserve's supervision of (i) domestic bank holding companies and foreign banking organizations that pose elevated risks to U.S. financial stability and (ii) nonbank financial institutions designated as systemically important by the Financial Stability Oversight Council (FSOC).

The Federal Reserve has periodically reassessed which financial institutions should be in the LISCC supervisory program, taking into account a number of factors such as the size of the institutions, their interconnectedness, lack of readily available substitutes for the services they provide, their complexity, and their cross-jurisdictional activities.

In an effort to increase transparency and align the Federal Reserve's supervisory program with the current risk-based categories in its regulatory framework,¹ this SR letter defines the financial institutions subject to LISCC supervisory program as: (i) any firm subject to Category I

¹ <https://www.federalreserve.gov/newsevents/pressreleases/bcreg20191010a.htm>

standards under the Board's tailoring framework, (ii) any non-commercial, non-insurance savings and loan holding company that would be identified for Category I standards if it were a bank holding company, and (iii) any nonbank financial institution designated as systemically important by the FSOC.²

Reserve Banks are asked to distribute this letter to the supervised institutions in their districts and to appropriate supervisory staff. Questions regarding this letter may be sent via the Board's public website.

Michael S. Gibson
Director
Division of
Supervision and Regulation

DRAFT

² 12 CFR 208, 12 CFR 217.