



BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM
WASHINGTON, DC 20551

February 4, 2026

Brian Doubles
Synchrony Financial
777 Long Ridge Road
Stamford, Connecticut 06902

Subject: Extension of deadlines to provide Synchrony Financial with notice of its preliminary and final stress capital buffer requirements

Dear Mr. Doubles:

On October 24, 2025, the Board approved a proposal seeking public comment on the models that the Board plans to use for the 2026 supervisory stress test (the “enhanced transparency proposal”).¹ In the enhanced transparency proposal, the Board proposed to codify an enhanced disclosure process regarding the models that are used in the stress test to inform stress capital buffer requirements. Under the proposal, the Board also would commit to responding to substantive public comments on any material model changes before implementing them in the stress test. In addition to publishing details regarding the Board’s stress test models, the proposal included a set of contemplated changes from the models used in the 2025 stress test.

Synchrony Financial (“Synchrony”) is expected to be subject to the supervisory stress test in 2026. The capital plan rule adopted by the Board generally provides that, in each year in which a firm takes part in the supervisory stress test, the Board will calculate the firm’s stress capital buffer requirement using the results of a supervisory stress test.² The capital plan rule also indicates that the Board will provide the firm with notice of its preliminary stress capital buffer requirement by June 30 and notice of its final stress capital buffer requirement by August 31, unless otherwise determined by the Board.³

¹ 90 FR 51856 (Nov. 18, 2025). Concurrently, the Board requested comment on the proposed scenarios for the 2026 supervisory stress test. 90 FR 51762 (Nov. 18, 2025).

² See 12 CFR 225.8; 12 CFR 238.170; 12 CFR 225.8(f); 12 CFR 238.170(f).

³ See 12 CFR 225.8(h)(1); 12 CFR 225.8(h)(4); 12 CFR 238.170(h)(1); 12 CFR 238.170(h)(4).

The enhanced transparency proposal remains outstanding for public comment.⁴ In addition, the Board does not expect to adopt final versions of the proposed stress test models prior to conducting the 2026 supervisory stress test. In light of these circumstances, the Board has determined to extend until October 1, 2028, the deadlines for providing Synchrony with notice of its preliminary and final stress capital buffer requirements calculated in 2026.⁵ As a result, Synchrony will remain subject to a stress capital buffer requirement of 2.5 percent until it receives a stress capital buffer requirement calculated pursuant to the capital plan rule.⁶ If Synchrony takes part in the supervisory stress test in 2027, Synchrony will receive a new final stress capital buffer requirement based on the results of a supervisory stress test conducted in 2027, which would become effective on October 1, 2027, unless otherwise determined by the Board.⁷ If Synchrony does not take part in the 2027 supervisory stress test and continues to be subject to the capital plan rule, Synchrony will receive a final stress capital buffer requirement in 2028 based on the results of a supervisory stress test conducted in 2028, which would become effective on October 1, 2028, unless otherwise determined by the Board.

Maintaining Synchrony's stress capital buffer requirement at its current level is consistent with the proposed process in the enhanced transparency proposal. An underpinning of the proposal is that the Board will not, on a going-forward basis, establish new capital requirements using stress test models that have not been subject to public feedback. Maintaining Synchrony's stress capital buffer requirement at its current level would avoid using the stress test models to set Synchrony's capital requirements before the Board can adopt final models after a public comment process.

⁴ Comments on the enhanced transparency proposal are due on February 21, 2026. The original end date for the proposal's comment period was January 22, 2026. On November 21, 2025, the end date was extended, in response to a request from the public, for 30 additional days. See 90 FR 53238 (Nov. 25, 2025).

⁵ These actions do not affect the timing of the 2027 supervisory stress test or the notification process for the 2027 stress capital buffer requirements. If Synchrony participates in the 2027 supervisory stress test, it will receive a preliminary stress capital buffer requirement by June 30, 2027, unless otherwise determined by the Board. The final stress capital buffer requirement calculated in 2027 would be communicated to Synchrony by August 31, 2027, and would be effective October 1, 2027, unless otherwise determined by the Board.

⁶ 12 CFR 217.11(a)(2)(vi)(B).

⁷ Global systemically important bank holding companies; Category II bank holding companies, savings and loan holding companies, and U.S. intermediate holding companies; and Category III bank holding companies, savings and loan holding companies, and U.S. intermediate holding companies are subject to the supervisory stress test in 2027. 12 CFR 252.44(d)(1); 12 CFR 238.132(c)(1). In addition, a Category IV bank holding company, savings and loan holding company, or U.S. intermediate holding company may elect to take part in the 2027 supervisory stress test. 12 CFR 252.44(d)(2)(ii); 12 CFR 238.132(c)(2)(ii). A Category IV bank holding company, savings and loan holding company, or U.S. intermediate holding company that elects to take part in the 2027 supervisory stress test would receive a new final stress capital buffer requirement based on the results of a supervisory stress test conducted in 2027. 12 CFR 225.8(f)(1); 12 CFR 238.170(f)(1).

Synchrony's stress capital buffer requirement of 2.5 percent will remain in effect until superseded.⁸ The Board reserves the authority to modify the amended deadlines described in this letter based on one or more of the following circumstances: (1) a change in actual or expected economic conditions, (2) a change in the financial condition of Synchrony or its risk profile, or (3) other factors that could affect the safety and soundness of Synchrony. In addition, nothing in this letter affects other restrictions, conditions, or requirements that may apply to Synchrony.

Please contact Doriana Ruffino at 202-452-5235 or Julie Anthony at 202-658-9400 with any questions.

Sincerely yours,

(Signed) Benjamin W. McDonough

Benjamin W. McDonough
Deputy Secretary of the Board

⁸ 12 CFR 225.8(h)(4)(ii)(B); 12 CFR 238.170(h)(4)(ii)(B). Nothing in this letter affects the requirement that Synchrony update and resubmit its capital plan in certain circumstances (12 CFR 225.8(e)(4)(A); 12 CFR 238.170(e)(4)(A)); the ability of the Board, or the appropriate Reserve Bank with the concurrence of the Board, to direct Synchrony to revise and resubmit its capital plan in certain circumstances (12 CFR 225.8(e)(4)(B); 12 CFR 238.170(e)(4)(B)); or the Board's ability to recalculate Synchrony's stress capital buffer requirement following the resubmission of its capital plan (12 CFR 225.8(f)(3); 12 CFR 238.170(f)(3)).