



BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM

WASHINGTON, D.C. 20551

DIVISION OF SUPERVISION
AND REGULATION

SR 20-30

December 18, 2020

**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)¹ 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.²

¹ <https://www.federalreserve.gov/supervisionreg/large-institution-supervision.htm>

² On November 6, 2020, the Board announced that it was accepting input on its intent to update the list of firms supervised by the LISCC supervisory program, and 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. The Federal Reserve received several responsive comments, all of which broadly supported the alignment of the LISCC supervisory program with the tailoring rules. The Federal Reserve also is considering comments received on the appropriate criteria for including foreign banking organizations in LISCC and intends to update the SR letter to address this issue.

<https://www.federalreserve.gov/foia/files/liscc-public-comments-20201218.pdf>

In an effort to increase transparency and align the Federal Reserve’s supervisory program with the current risk-based categories in its regulatory framework,³ this SR letter defines the financial institutions subject to LISCC supervisory program as: (i) those firms subject to Category I 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) a nonbank financial institution designated as systemically important by the FSOC.⁴

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.⁵

Michael S. Gibson
Director
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Supervision and Regulation

Supersedes:

- SR letter 15-7, “Governance Structure of the Large Institution Supervision Coordinating Committee (LISCC) Supervisory Program”

³ <https://www.federalreserve.gov/newsevents/pressreleases/bcreg20191010a.htm>

⁴ 12 CFR 208, 12 CFR 217.

⁵ See <https://www.federalreserve.gov/apps/contactus/feedback.aspx>