



TITLE I: FINANCIAL STABILITY

- Establishes a new Financial Stability Oversight Council
- Identifies entities potentially subject to increased supervision
- Ensures that large bank holding companies (whose assets exceed \$50 billion) that have received TARP funding cannot avoid ongoing supervision by the Federal Reserve simply by eliminating their bank entities, but will continue to be regulated as significant financial institutions
- Imposes new obligations and restrictions for Covered Nonbank Companies¹
- Imposes enhanced supervision and prudential standards for all Covered Nonbank Companies and Covered Bank Holding Companies
- Imposes additional requirements for Covered Nonbank Companies, Covered Bank Holding Companies and certain other Bank Holding Companies and Nonbank Financial Companies, and
- Imposes increased leverage and risk-based capital requirements

Rulemakings

Federal Reserve Board (FRB)	
July 21, 2011 (1 year after Transfer Date), or such later date (not later than January 21, 2012)²	Bill Section
FRB to issue regulations requiring all publicly traded Covered Nonbank Companies (within 1 year of final determination) and all publicly traded Bank Holding Companies with total consolidated assets of at least US\$10 billion to establish a risk committee.	§165(h)
FRB authorized to require Covered Bank Holding Companies with total consolidated assets of less than \$10 billion to establish a risk committee.	§165(h)
January 21, 2012 (18 months after enactment)	
FRB to establish standards for Covered Nonbank Companies and Covered Bank Holding Companies, including (1) risk-based capital requirements; (2) leverage limits; (3) liquidity requirements; (4) resolution plan and credit exposure report requirements; and (5) concentration limits.	§165(b)
FRB authorized to establish standards for Covered Nonbank Companies and Covered Bank Holding Companies that may include (1) a contingent capital requirement; (2) enhanced public disclosures; and (3) overall risk management requirements.	§165(b)
FRB authorized to promulgate regulations, subsequent to the Financial Stability Oversight Council’s (the Council) report to Congress under	§165(c)

¹ “Covered Bank Holding Companies” means all publicly traded bank holding companies, and “Covered Nonbank Companies” means all publicly traded nonbank financial companies supervised by the FRB.

² Transfer Date is defined by §311 as meaning the date that is 1 year after the date of enactment. The Transfer Date may be extended an additional 6 months by the Secretary of the Treasury.



Section 115(c) regarding contingent capital, requiring Covered Nonbank Companies and Covered Bank Holding Companies to maintain a minimum amount of long-term hybrid debt that is convertible to equity in times of financial stress.	
FRB and Federal Deposit Insurance Corporation (FDIC) to establish standards that include a resolution plan and credit exposure report requirements for Covered Bank Holding Companies and Covered Nonbank Companies.	§165(d)
FRB authorized to establish periodic public disclosure requirements for Covered Nonbank Companies and Covered Bank Holding Companies to support market evaluations of risk profile, capital adequacy, and risk-management capabilities.	§165(f)
FRB authorized to issue regulations regarding limit on the amount of short-term debt, inducing off-balance sheet exposures that may be accumulated by Covered Bank Holding Companies and Covered Nonbank Companies.	§165(g)
FRB authorized to issue regulations regarding stress test parameters and consequences.	§165(i)
FRB authorized to promulgate procedures and timelines for complying with the leverage limitation requirement.	§165(j)
FRB, in consultation with the Council and the FDIC, to promulgate regulations establishing early remediation requirements for Covered Nonbank Companies or Covered Bank Holding Companies.	§166
FRB to promulgate regulations to establish criteria for determining whether to require a Covered Nonbank Company to establish an intermediate holding company.	§167
FRB authorized to promulgate regulations to restrict or limit transactions between an intermediate holding company or a Covered Nonbank Company or any subsidiary thereof and its parent company or affiliates that are not its subsidiaries.	§167
FRB to promulgate regulations on behalf of, and in consultation with, the Council, setting forth criteria for exempting certain types or classes of US and non-US nonbank financial companies from FRB supervision.	§170
FRB, FDIC, and the Office of the Comptroller of the Currency (OCC) to establish minimum leverage and risk-based capital requirements and, subject to the recommendation of the Council, develop capital requirements to address risks posed by the activities of depository institutions, depository institution holding companies, and Covered Nonbank Companies.	§171(b)



FRB authorized to establish regulations regarding the application of measures to non-US Covered Nonbank Companies and non-US Bank Holding Companies that the FRB may impose on Covered Nonbank Companies and Bank Holding Companies with US\$50 billion in assets that pose a grave threat to the financial stability of the US.	§1201(d)
Not to take effect until at least July 21, 2013 (3 years after enactment)	
FRB to establish standards that limit credit exposure for Bank Holding Companies and Covered Nonbank Companies.	§165(e)
FRB authorized to issue regulations and orders as may be necessary to administer and carry out credit exposure standards for Bank Holding Companies and Covered Nonbank Companies.	§165(e)
FRB authorized to exempt transactions from definition of “credit exposure” if it finds that the exemption is in the public interest and is consistent with the purpose of the credit exposure limits.	§165(e)
No date given	
FRB to promulgate rule defining “significant nonbank financial company” and “significant bank holding company.”	§102(a)(7)
FRB to promulgate regulations establishing criteria for determining whether a company is “predominantly engaged” in financial activities in the US.	§102(b)

Department of the Treasury	
No date given	
Office of Financial Research to issue rules, regulations and orders in consultation with the Council to assist in (1) collecting data on behalf of the Council and providing such data to the Council and member agencies; (2) standardizing the types and formats of data reported and collected; and (3) assisting member agencies in determining the types and formats of data where member agencies are authorized to collect data.	§153(c)
Office of Financial Research to establish regulations regarding the type and scope of data to be collected by its data center.	§154(a)

Financial Stability Oversight Council	
No date given	Bill Section
Council to adopt rules necessary for the conduct of its business.	§111(e)
Council authorized to recommend to the FRB that it require any Covered Nonbank Company and any Covered Bank Holding Company to maintain a minimum amount of long-term hybrid debt that is convertible to equity in times of stress.	§115(c)(3)
Council authorized to make recommendations to the FRB and FDIC concerning the required resolution plan for Covered Nonbank Companies and Covered Bank Holding Companies.	§115(d)



Council authorized to make recommendations to the FRB and FDIC concerning the advisability of requiring Covered Nonbank Companies and Covered Bank Holding Companies to report periodically on credit exposures.	§115(d)
Council authorized to make recommendations to the FRB prescribing concentration limits for Covered Nonbank Companies and Covered Bank Holding Companies.	§115(e)
Council authorized to recommend to the FRB that it require periodic public disclosures by Covered Bank Holding Companies and Covered Nonbank Companies to support market evaluation of risk profile, capital adequacy and risk-management strategies.	§115(f)
Council authorized to (1) issue recommendations applying new or heightened standards and safeguards to a financial activity or practice conducted by bank holding companies or nonbank financial companies and (2) recommend that the applicable agencies remove the standard.	§120
Council to report to Congress on the recommendations authorized by Section 120, including whether agencies have implemented them, and must make recommendations for legislative changes where there is no Primary Financial Regulatory Agency.	§120

“Primary Financial Regulatory Agency” (PFRA)³	
No date given	Bill Section
PFRA to promulgate regulations establishing a procedure under which entities under its jurisdiction may appeal a determination by the agency that the standards imposed should remain in effect after Council has recommended removal of standard.	§120

³ “Primary financial regulatory agency” (PFRA) is defined in § 2(11) as an institution’s appropriate federal banking agency, the Securities and Exchange Commission, the Commodity Futures Trading Commission, a state insurance authority, the Federal Housing Finance Agency or the Federal Home Loan Bank System, depending on the type of institution.



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