

RESCINDED

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Transmittal – See OCC 2020-11

Investments in Corporate Debt Securities: FDIC's final rule: Permissible Investments for Federal and State Savings Associations

Summary

The Office of the Comptroller of the Currency (OCC) advises federal savings associations to review the Federal Deposit Insurance Corporation's (FDIC) final rule and guidance issued July 24, 2012, on investments in corporate debt securities. Federal savings associations have until January 1, 2013, to comply with the FDIC's final rule. In addition, the OCC reminds federal savings associations they must comply by January 1, 2013, with the OCC's final rules and guidance regarding investments in other securities, published June 26, 2012.

Background

The Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 authorized the FDIC to issue by July 21, 2012, a final rule to establish "standards of creditworthiness" to replace previously used "investment grade" standards for corporate debt security investments held or acquired by savings associations. The FDIC published its final rule July 24, 2012, in the *Federal Register* ([77 FR 43151](#)) and in FDIC Financial Institution Letter [FIL-34-2012](#). The FDIC's final rule amended 12 CFR 362 and was effective July 21, 2012. The FDIC, however, is allowing savings associations a transition period, ending January 1, 2013, to comply.

The FDIC's standards of creditworthiness, requirement for consistency with safety and soundness principles, and due diligence guidance are comparable and largely consistent with the OCC's previously released final rules and guidance regarding securities investments. On June 26, 2012, the OCC published OCC Bulletin 2012-18, "Alternatives to the Use of External Credit Ratings in the Regulations of the OCC: Final Rules and Guidance." The bulletin informed federal savings associations that they are required to follow the FDIC's standards of creditworthiness when purchasing corporate debt, pursuant to 12 USC 1831(e)(d), as amended by Dodd-Frank, section 939(a)(2). The OCC expects federal savings associations to comply with the final rules by January 1, 2013.

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To

Chief Executive Officers of All
National Banks, Federal Savings
Associations, Federal Branches
and Agencies, Department and
Division Heads, All Examining
Personnel, and Other Interested
Parties