

Department of the Treasury  
Office of Thrift Supervision  
**Transmittal**



September 3, 1996

Number: 155

The attached proposal would change the risk based capital requirements for transactions, such as repurchase agreements, that are collateralized by cash or government securities.

Under the proposal, portions of claims thus collateralized would be placed in the zero percent risk weight category. They are currently in the 20 percent risk weight category. The effect would be to require depository institutions to hold less capital against these transactions.

The proposal emphasizes that to receive such capital treatment, the lending institution must maintain control over the collateral.

The proposal is being published jointly by OTS and the other federal banking agencies to make their

rules in this area uniform, and thus implement section 303 of the Riegle Community Development and Regulatory Improvement Act of 1994.

The joint notice of proposed rulemaking was published in the August 16, 1996, edition of the *Federal Register*, Vol. 61, No. 160, pp. 42565-42570. Written comments must be received on or before October 15, 1996, and should be addressed to: Manager, Dissemination Branch, Records Management and Information Policy Division, Office of Thrift Supervision, 1700 G Street, N.W., Washington, DC 20552.

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Attachments