

DEPARTMENT OF THE TREASURY**Office of the Comptroller of the Currency****12 CFR Part 3**

[Docket No. 03-14]

RIN Number 1557-AC48

FEDERAL RESERVE SYSTEM**12 CFR Parts 208 and 225**

[Regulations H and Y; Docket No. R-1154]

FEDERAL DEPOSIT INSURANCE CORPORATION**12 CFR Part 325**

RIN 3064-AC73

DEPARTMENT OF THE TREASURY**Office of Thrift Supervision****12 CFR Part 567**

[No. 2003-27]

RIN 1550-AB56

Risk-Based Capital Guidelines; Implementation of New Basel Capital Accord

AGENCIES: Office of the Comptroller of the Currency, Treasury; Board of Governors of the Federal Reserve System; Federal Deposit Insurance Corporation; and Office of Thrift Supervision, Treasury.

ACTION: Advance notice of proposed rulemaking.

SUMMARY: The Office of the Comptroller of the Currency (OCC), the Board of Governors of the Federal Reserve System (Board), the Federal Deposit Insurance Corporation (FDIC), and the Office of Thrift Supervision (OTS) (collectively, the Agencies) are setting forth for industry comment their current views on a proposed framework for implementing the New Basel Capital Accord in the United States. In particular, this advance notice of proposed rulemaking (ANPR) describes significant elements of the Advanced Internal Ratings-Based approach for credit risk and the Advanced Measurement Approaches for operational risk (together, the advanced approaches). The ANPR specifies criteria that would be used to determine banking organizations that would be required to use the advanced approaches, subject to meeting certain qualifying criteria, supervisory standards, and disclosure requirements.

Other banking organizations that meet the criteria, standards, and requirements also would be eligible to use the advanced approaches. Under the advanced approaches, banking organizations would use internal estimates of certain risk components as key inputs in the determination of their regulatory capital requirements.

DATES: Comments must be received no later than November 3, 2003.

ADDRESSES: Comments should be directed to: *OCC:* Please direct your comments to: Office of the Comptroller of the Currency, 250 E Street, SW., Public Information Room, Mailstop 1-5, Washington, DC 20219, Attention: Docket No. 03-14; fax number (202) 874-4448; or Internet address: *regs.comments@occ.treas.gov*. Due to delays in paper mail delivery in the Washington area, we encourage the submission of comments by fax or e-mail whenever possible. Comments may be inspected and photocopied at the OCC's Public Information Room, 250 E Street, SW., Washington, DC. You may make an appointment to inspect comments by calling (202) 874-5043.

Board: Comments should refer to Docket No. R-1154 and may be mailed to Ms. Jennifer J. Johnson, Secretary, Board of Governors of the Federal Reserve System, 20th Street and Constitution Avenue, NW., Washington, DC 20551. However, because paper mail in the Washington area and at the Board of Governors is subject to delay, please consider submitting your comments by e-mail to *regs.comments@federalreserve.gov*, or faxing them to the Office of the Secretary at (202) 452-3819 or (202) 452-3102. Members of the public may inspect comments in Room MP-500 of the Martin Building between 9 a.m. and 5 p.m. weekdays pursuant to § 261.12, except as provided by § 261.14, of the Board's Rules Regarding Availability of Information, 12 CFR 261.12 and 261.14.

FDIC: Written comments should be addressed to Robert E. Feldman, Executive Secretary, Attention: Comments, Federal Deposit Insurance Corporation, 550 17th Street, NW., Washington, DC 20429. Commenters are encouraged to submit comments by facsimile transmission to (202) 898-3838 or by electronic mail to *Comments@FDIC.gov*. Comments also may be hand-delivered to the guard station at the rear of the 550 17th Street Building (located on F Street) on business days between 8:30 a.m. and 5 p.m. Comments may be inspected and photocopied at the FDIC's Public Information Center, Room 100, 801 17th

Street, NW., Washington, DC between 9 a.m. and 4:30 p.m. on business days.

OTS: Send comments to Regulation Comments, Chief Counsel's Office, Office of Thrift Supervision, 1700 G Street, NW., Washington, DC 20552, Attention: No. 2003-27. Delivery: Hand deliver comments to the Guard's desk, east lobby entrance, 1700 G Street, NW., from 9 a.m. to 4 p.m. on business days, Attention: Regulation Comments, Chief Counsel's Office, Attention: No. 2003-27. Facsimiles: Send facsimile transmissions to FAX Number (202) 906-6518, Attention: No. 2003-27. E-mail: Send e-mails to *regs.comments@ots.treas.gov*, Attention: No. 2003-27, and include your name and telephone number. Due to temporary disruptions in mail service in the Washington, DC area, commenters are encouraged to send comments by fax or e-mail, if possible.

FOR FURTHER INFORMATION CONTACT:

OCC: Roger Tufts, Senior Economic Advisor (202-874-4925 or *roger.tufts@occ.treas.gov*), Tanya Smith, Senior International Advisor (202-874-4735 or *tanya.smith@occ.treas.gov*), or Ron Shimabukuro, Counsel (202-874-5090 or *ron.shimabukuro@occ.treas.gov*).

Board: Barbara Bouchard, Assistant Director (202/452-3072 or *barbara.bouchard@frb.gov*), David Adkins, Supervisory Financial Analyst (202/452-5259 or *david.adkins@frb.gov*), Division of Banking Supervision and Regulation, or Mark Van Der Weide, Counsel (202/452-2263 or *mark.vanderweide@frb.gov*), Legal Division. For users of Telecommunications Device for the Deaf ("TDD") only, contact 202/263-4869.

FDIC: Keith Ligon, Chief (202/898-3618 or *kligon@fdic.gov*), Jason Cave, Chief (202/898-3548 or *jcave@fdic.gov*), Division of Supervision and Consumer Protection, or Michael Phillips, Counsel (202/898-3581 or *mphillips@fdic.gov*).

OTS: Michael D. Solomon, Senior Program Manager for Capital Policy (202/906-5654); David W. Riley, Project Manager (202/906-6669), Supervision Policy; or Teresa A. Scott, Counsel (Banking and Finance) (202/906-6478), Regulations and Legislation Division, Office of the Chief Counsel, Office of Thrift Supervision, 1700 G Street, NW., Washington, DC 20552.

SUPPLEMENTARY INFORMATION:

- I. Executive Summary
 - A. Introduction
 - B. Overview of the New Accord
 - C. Overview of U.S. Implementation
 - The A-IRB Approach for Credit Risk
 - The AMA for Operational Risk
 - Other Considerations