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Press Release

The Clearing House Comments on Liquidity Coverage Ratio Rule

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New York, NY — September 3, 2014 – Following today's release of the final rule for the liquidity coverage ratio by the Office of the Comptroller of the Currency, Federal Reserve, and Federal Deposit Insurance Corporation, The Clearing House issued the below statement.

"As strong supporters of the LCR as an important step to improve the resiliency of banks and the broader financial system, The Clearing House appreciates the agencies' effort to provide greater clarity in today's final rule on implementing the Basel III liquidity coverage ratio (LCR), which is intended to ensure that banks have sufficient short-term liquidity to survive a period of stress," said David Wagner, Executive Managing Director and Head of Finance Affairs. "We are encouraged to see the revisions in the final rule of collateralized municipal and corporate trust deposits and the agencies' recognition that these deposits are a more resilient source of funding during times of market stress. We are also pleased to see the refinements to the calculation of measuring maturity mismatches included in the final rule as well as the phase-in approach adopted by the agencies for implementation of the daily reporting requirement.

"We are still reviewing the final rule, but it also appears that the agencies will issue additional liquidity macroprudential guidance in the future with respect to several matters, including the treatment of municipal securities. We look forward to the opportunity to submit public comments on those matters as well. We urge the agencies to continue to work together to ensure that collectively they have a common understanding of the interplay and tradeoffs between macroprudential regulations."

About The Clearing House Established in 1853, The Clearing House is the oldest banking association and payments company in the United States. It is owned by the world's largest commercial banks, which hold more than half of all U.S. deposits. The Clearing House Association L.L.C. is a nonpartisan advocacy organization representing – through regulatory comment letters, amicus briefs and white papers – the interests of its owner banks on a variety of important banking issues. Its affiliate, The Clearing House Payments Company L.L.C., provides payment, clearing and settlement services to its member banks and other financial institutions, clearing almost $2 trillion daily which represents nearly half of the automated clearing-house, funds transfer, and check-image payments made in the United States. See The Clearing House's web page at www.theclearinghouse.org