
“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.”

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