

Federal Financial Regulatory Agencies Propose New Rule Clarifying the Role of Supervisory Guidance

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If you have any questions regarding the matters covered in this publication, please reach out to any of the lawyers listed below or your usual Davis Polk contact.

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- ¹ See Statement of Margaret E. Tahyar, Guidance, Supervisory Expectations, and the Rule of Law: How Do the Banking Agencies Regulate and Supervise Institutions?, Hearing Before the Senate Committee on Banking, Housing, and Urban Affairs (Apr. 30, 2019) ([link](#)).
- ² See, e.g., Mark J. Flannery, Transparency and Model Evolution in Stress Testing, Presentation at Federal Reserve Conference—Stress Testing: Discussion and Review (July 9, 2019) ([link](#)); Randall D. Guynn, A Case for Full Model, Scenario and Results Transparency in the Federal Reserve's Stress Testing Process, Presentation at Federal Reserve Conference—Stress Testing: Discussion and Review (July 9, 2019) ([link](#)).
- ³ The Proposal will be issued by the Federal Reserve, OCC, FDIC, NCUA and CFPB. The FDIC approved the Proposal on Tuesday, the other federal financial regulators are expected to do so in the coming days.
- ⁴ MRAs and MRIAs may be the terms with which many banking organizations are most familiar, but as explained by the agencies in the Proposal supervisory actions such as the issuance of matters requiring board attention (used by the FDIC), documents of resolution (used by the NCUA), and supervisory recommendations (used by multiple agencies) are also encompassed by the Proposal's reference to supervisory criticisms.