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**Joint Release**

**Board of Governors of the Federal Reserve System  
Farm Credit Administration  
Federal Deposit Insurance Corporation  
Federal Housing Finance Agency  
Office of the Comptroller of the Currency**

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For immediate release  
FCA NR 14-09

September 3, 2014

**Agencies Seek Comment on Swap Margin Requirements**

Five federal agencies are seeking comment on a proposed rule to establish margin requirements for swap dealers, major swap participants, security-based swap dealers, and major security-based swap participants as required by the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act).

The rule is proposed by the Federal Reserve Board, the Farm Credit Administration, the Federal Deposit Insurance Corporation, the Federal Housing Finance Agency, and the Office of the Comptroller of the Currency. The proposed rule would establish minimum requirements for the exchange of initial and variation margin between covered swap entities and their counterparties to non-cleared swaps and non-cleared security-based swaps. The margin requirements mandated by the Dodd-Frank Act are intended to address a number of weaknesses in the regulation and structure of the swap markets that were revealed during the recent financial crisis. The requirements are intended to reduce risk, increase transparency, and promote market integrity.

This proposal builds on one originally released by the agencies in April 2011 and includes some modifications that were made in light of comments, such as an expansion of the types of collateral eligible to be posted as initial margin. This proposal also seeks to promote global consistency by generally following the final framework for margin requirements on non-cleared derivatives that the Basel Committee on Banking Supervision and the International Organization of Securities Commissions adopted in September 2013.

The proposed margin requirements would apply to non-cleared swaps and non-cleared security-based swaps entered into after the proposed rule's applicable compliance dates. The amount of margin that would be required under the proposed rule would vary based on the relative risk of the counterparty and of the non-cleared swap or non-cleared security-based swap.

In particular, the proposed rule does not require a covered swap entity to collect specific or minimum amounts of initial margin or variation margin from nonfinancial end users, but rather leaves that decision to the covered swap entity, consistent with its overall credit risk management. The agencies believe this rule maintains the status quo for nonfinancial end users and is consistent with the requirements of the Dodd-Frank Act.

Staff of the five agencies consulted with staff of the Commodity Futures Trading Commission and the Securities and Exchange Commission in developing the proposed rule as required by the Dodd-Frank Act.

The agencies request comments on the proposed rule no later than 60 days after the date of its publication in the *Federal Register*.

Attachment (PDF)

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