



441 G St. N.W.  
Washington, DC 20548

B-327797

February 17, 2016

The Honorable Richard Shelby  
Chairman  
The Honorable Sherrod Brown  
Ranking Member  
Committee on Banking, Housing, and Urban Affairs  
United States Senate

The Honorable Jeb Hensarling  
Chairman  
The Honorable Maxine Waters  
Ranking Member  
Committee on Financial Services  
House of Representatives

Subject: *Federal Reserve System: Extensions of Credit by Federal Reserve Banks*

Pursuant to section 801(a)(2)(A) of title 5, United States Code, this is our report on a major rule promulgated by the Federal Reserve System (the Board) entitled “Extensions of Credit by Federal Reserve Banks” (RIN: 7100-AE08). We received the rule on January 28, 2016. It was published in the *Federal Register* as a final rule on December 18, 2015. 80 Fed. Reg. 78,959.

The final rule amends the regulations governing extensions of credit by Federal Reserve Banks. It implements the emergency lending authorities provided under the third undesignated paragraph of section 13 of the Federal Reserve Act (the FRA), as amended by sections 1101 and 1103 of the Dodd-Frank Wall Street Reform and Consumer Protection Act.<sup>1</sup> These provisions require the Board, in consultation with the Secretary of the Treasury, to establish by regulation policies and procedures with respect to emergency lending under section 13(3) of the FRA.

The Congressional Review Act (CRA) requires a 60-day delay in the effective date of a major rule from the date of publication in the *Federal Register* or receipt of the rule by Congress, whichever is later. 5 U.S.C. § 801(a)(3)(A). This final rule has a stated effective date of January 1, 2016. The rule was published in the *Federal Register* on December 18, 2015, but was received by Congress on January 15, 2016. 162 Cong. Rec. H368 (Jan. 25, 2016); 162 Cong. Rec. S158 (Jan. 27, 2016). Therefore, the final rule does not have the full required 60-day delay in its effective date.

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<sup>1</sup> 12 U.S.C. § 343.

Enclosed is our assessment of the Board's compliance with the procedural steps required by section 801(a)(1)(B)(i) through (iv) of title 5 with respect to the rule. In its submission to us, the Board indicated that preparing an analysis of costs and benefits was not applicable to this final rule. Our review of the procedural steps taken indicates that, other than the 60-day delay and the cost-benefit analysis, the Board complied with the applicable requirements.

If you have any questions about this report or wish to contact GAO officials responsible for the evaluation work relating to the subject matter of the rule, please contact Shirley A. Jones, Assistant General Counsel, at (202) 512-8156.

signed

Robert J. Cramer  
Managing Associate General Counsel

Enclosure

cc: Linda Robertson  
Assistant to the Board of Governors  
of the Federal Reserve System

REPORT UNDER 5 U.S.C. § 801(a)(2)(A) ON A MAJOR RULE  
ISSUED BY THE  
FEDERAL RESERVE SYSTEM  
ENTITLED  
“EXTENSIONS OF CREDIT BY FEDERAL RESERVE BANKS”  
(RIN: 7100-AE08)

(i) Cost-benefit analysis

In its submission to us, the Federal Reserve System (the Board) indicated that preparing an analysis of costs and benefits was not applicable to this final rule.

(ii) Agency actions relevant to the Regulatory Flexibility Act (RFA), 5 U.S.C. §§ 603-605, 607, and 609

The Board determined that this final rule will not have a significant negative economic impact on a substantial number of small entities.

(iii) Agency actions relevant to sections 202-205 of the Unfunded Mandates Reform Act of 1995, 2 U.S.C. §§ 1532-1535

As an independent regulatory agency, the Board is not subject to title II of the Act.

(iv) Other relevant information or requirements under acts and executive orders

Administrative Procedure Act, 5 U.S.C. §§ 551 et seq.

On January 6, 2014, the Board published a proposed rule in the *Federal Register*. 79 Fed. Reg. 615. The Board responded to comments in the final rule.

Paperwork Reduction Act (PRA), 44 U.S.C. §§ 3501-3520

The Board determined that this final rule contains an information collection requirement under the Act. The requirement is entitled “Reporting Requirements Associated with Regulation A (Extensions of Credit by Federal Reserve Banks),” has been assigned Office of Management and Budget (OMB) Control Number 7100-NEW, and reviewed by the Board under the authority delegated to the Board by OMB.

Statutory authorization for the rule

The Board promulgated this final rule under the authority of sections 248(i)-(j), (s), 343 et seq., 347a, 347b, 347c, 348 et seq., 357, 374, 374a, and 461 of title 12, United States Code.

Executive Order No. 12,866 (Regulatory Planning and Review)

As an independent regulatory agency, the Board is not subject to review requirements of the Order.

Executive Order No. 13,132 (Federalism)

As an independent regulatory agency, the Board is not subject to review requirements of the Order.