



FEDERAL DEPOSIT INSURANCE CORPORATION, Washington, DC 20429

OFFICE OF THE CHAIRMAN

February 6, 2012

Honorable Michael Burgess
House of Representatives
Washington, D.C. 20515

Dear Congressman Burgess:

Thank you for your letter concerning the interagency efforts to implement Section 619 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (often referred to as the Volcker Rule). As you know, on October 11, 2011, the FDIC Board of Directors adopted a joint notice of proposed rulemaking (NPR) that also was adopted by the other federal banking agencies and the Securities and Exchange Commission (collectively the Agencies), with a comment deadline of January 13, 2012.

On December 23, 2011 the Agencies extended the comment period to February 13, 2012, to allow interested persons more time to analyze the issues and prepare their comments. A copy of the press release is enclosed.

As required by Section 619, the joint NPR provides for restrictions on proprietary trading by banking entities. The Agencies carefully analyzed and considered the statutory requirements, as well as the study report with recommendations issued by the Financial Stability Oversight Council in January 2011. We look forward to receiving extensive comments on the NPR, including on whether the Agencies struck the right balance in attempting to implement the requirements of Section 619.

As we review the comments submitted in response to the NPR, we want to ensure that the final rule carries out the intent of the statute.

Thank you again for sharing your comments. If you have further questions, please feel free to contact me at (202) 898-3888 or Paul Nash, Deputy for External Affairs, at (202) 898-6962.

Sincerely,

Martin J. Gruenberg
Acting Chairman

Enclosure

Press Releases

**Joint
Release****Board of Governors of the Federal Reserve
System
Federal Deposit Insurance Corporation
Office of the Comptroller of the Currency
Securities and Exchange Commission**

For Immediate Release**December 23, 2011****Agencies Extend Comment Period on Volcker Rule
Proposal**

Four federal agencies on Friday extended until February 13, 2012, the comment period on a proposal to implement the so-called Volcker Rule of the Dodd-Frank Wall Street Reform and Consumer Protection Act.

The Dodd-Frank Act requires regulators to implement certain prohibitions and restrictions on the ability of a banking entity and nonbank financial company to engage in proprietary trading and have certain interests in, or relationships with, a hedge fund or private equity fund. The comment period was extended as part of a coordinated interagency effort to allow interested persons more time to analyze the issues and prepare their comments. Originally, comments were due by January 13, 2012.

The proposal was issued by the Federal Reserve Board, the Federal Deposit Insurance Corporation, the Office of the Comptroller of the Currency, and the Securities and Exchange Commission.

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Attachment:

[Prohibitions and Restrictions on Proprietary Trading and Certain Interests in, and Relationships With, Hedge Funds and Private Equity Funds - PDF \(PDF Help\)](#)

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(FDIC: PR-197-2011)