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Federal Reserve announces interim final rule to allow bank holding companies to include senior perpetual preferred stock issued to the Treasury Department in Tier 1 capital

Federal Reserve System: Board of Governors

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Press Release

October 16, 2008

Federal Reserve announces interim final rule to allow bank holding companies to include senior perpetual preferred stock issued to the Treasury Department in Tier 1 capital

For immediate release

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The Federal Reserve Board on Thursday announced the adoption of an interim final rule that will allow bank holding companies to include in their Tier 1 capital without restriction the senior perpetual preferred stock issued to the Treasury Department under the capital purchase program announced by the Treasury on October 14, 2008. Treasury established the capital purchase program under the Emergency Economic Stabilization Act of 2008, which became law on October 3, 2008. Details about the capital purchase program are available on the [Treasury's website](#).

The Board adopted the rule on an interim final basis to immediately provide guidance to bank holding companies concerning the regulatory capital treatment of such senior perpetual preferred stock and to support and facilitate the timely provision of capital to bank holding companies under the capital purchase program. The Board continues to work with Treasury, the other federal banking agencies, and other parties on other capital and related matters associated with the capital purchase program.

The interim rule will be effective as of October 17, 2008. The Board is, however, seeking public comment on the interim rule. Comments must be submitted within 30 days of publication of the interim rule in the *Federal Register*, which is expected soon.

The draft *Federal Register* notice for the rule is attached.

Federal Register notice: [57 KB PDF](#) | [HTML](#)

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