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## **FEDERAL HOUSING FINANCE AGENCY**

### **12 CFR Part 1238**

**[No. 2013-N-19]**

#### **Orders: Supplemental Orders on Reporting by Regulated Entities of Stress Testing**

**Results as of September 30, 2013**

**AGENCY:** Federal Housing Finance Agency.

**ACTION:** Orders.

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**SUMMARY:** In this document, the Federal Housing Finance Agency (FHFA) provides notice that it issued Orders to supplement its Orders dated November 26, 2013, with respect to reporting under section 165(i)(2) of the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act).

**DATES:** Each Order is effective **on the date signed**.

**FOR FURTHER INFORMATION CONTACT:** Naa Awaa Tagoe, Senior Associate Director, Office of Financial Analysis, Modeling and Simulations, (202) 649-3140, [naawaa.tagoe@fhfa.gov](mailto:naawaa.tagoe@fhfa.gov); Stefan Szilagyi, Examination Manager, FHLBank Modeling, FHLBank Risk Modeling Branch, (202) 649-3515, [stefan.szilagy@fhfa.gov](mailto:stefan.szilagy@fhfa.gov); or Mark D. Laponsky, Deputy General Counsel, Office of General Counsel, (202) 649-3054 (these are not toll-free numbers), [mark.laponsky@fhfa.gov](mailto:mark.laponsky@fhfa.gov). The telephone number for the Telecommunications Device for the Hearing Impaired is (800) 877-8339.

**SUPPLEMENTARY INFORMATION:**

## **I. Background**

FHFA is responsible for ensuring that the regulated entities operate in a safe and sound manner, including the maintenance of adequate capital and internal controls, that their operations and activities foster liquid, efficient, competitive, and resilient national housing finance markets, and that they carry out their public policy missions through authorized activities. See 12 U.S.C. 4513. These Supplemental Orders are being issued under 12 U.S.C. 4514(a), which authorizes the Director of FHFA to require by Order that the regulated entities submit regular or special reports to FHFA and establishes remedies and procedures for failing to make reports required by Order. The Supplemental Orders provide to the regulated entities two additional appendices of scenario assumptions to be used for stress testing.

## **II. Orders**

For the convenience of the affected parties, the text of the Supplemental Orders, without appendices, follows below in its entirety. You may access these Orders with Appendices 11 and 12 from FHFA's Web site at <http://www.fhfa.gov/Default.aspx?Page=440>. The Supplemental Orders and Summary Instructions and Guidance will be available for public inspection and copying at the Federal Housing Finance Agency, Eighth Floor, 400 Seventh St., SW, Washington, DC 20024. To make an appointment, call (202) 649-3804.

The text of the Supplemental Orders is as follows:

### **Federal Housing Finance Agency**

*Order Nos. 2013-OR-B-3, 2013-OR-FNMA-3, and 2013-OR-FHLMC-3*

### **SUPPLEMENTAL ORDER ON REPORTING BY REGULATED ENTITIES OF STRESS TESTING RESULTS AS OF SEPTEMBER 30, 2013**

*Whereas*, section 165(i)(2) of the Dodd-Frank Wall Street Reform and Consumer Protection Act (“Dodd-Frank Act”) requires certain financial companies with total consolidated assets of more than \$10 billion, and which are regulated by a primary Federal financial regulatory agency, to conduct annual stress tests to determine whether the companies have the capital necessary to absorb losses as a result of adverse economic conditions;

*Whereas*, FHFA’s rule implementing section 165(i)(2) of the Dodd-Frank Act is codified as 12 CFR part 1238 and requires that “[e]ach regulated entity must file a report in the manner and form established by FHFA.” 12 CFR § 1238.5(b);

*Whereas*, on November 26, 2012, FHFA issued an Order to each regulated entity accompanied by appendices numbered 1 through 10 and amended Summary Instructions and Guidance relating to the performance of stress tests as of September 30, 2013, and the reporting of the results of such tests;

*Whereas*, FHFA’s Acting Director has determined that it is appropriate to supplement the appendices to the November 26, 2013 Orders with two additional appendices;

*Whereas*, section 1314 of the Safety and Soundness Act, 12 U.S.C. § 4514(a) authorizes the Director of FHFA to require regulated entities, by general or specific order, to submit such reports on their management, activities, and operations as the Director considers appropriate.

*Now therefore*, it is hereby ordered as follows:

Each regulated entity shall report to FHFA and to the Board of Governors of the Federal Reserve System the results of stress testing as required by 12 CFR § 1238, in the form and with the content described therein and in the Summary Instructions and Guidance accompanying the November 26, 2013 Orders, and using the scenarios provided in Appendices 1 through 10 to those Orders and Appendices 11 and 12 that accompany this Order.

This Order is effective immediately.

Signed at Washington DC, this 13<sup>th</sup> day of December, 2013.

Edward J. DeMarco,  
Acting Director, Federal Housing Finance Agency.

Dated: December 13, 2013.

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Edward J. DeMarco,

Acting Director, Federal Housing Finance Agency.

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