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FEDERAL RESERVE SYSTEM

12 CFR Part 217

[Docket Nos. R-1606; RIN 7100-AF 05]

Regulation Q; Regulatory Capital Rules; Correction

AGENCY: Board of Governors of the Federal Reserve System.

ACTION: Final rule; correcting amendments.

SUMMARY: The Board of Governors of the Federal Reserve System (Board) published a final rule in the **Federal Register** on October 11, 2013, regarding Regulatory Capital Rules. The Board also published a final rule in the **Federal Register** on May 1, 2014, to amend the regulatory capital rules to include enhanced supplementary leverage ratio standards. This publication resolves an unintended deletion from the regulatory capital rules that was made in connection with the enhanced supplementary leverage ratio standards.

DATES: This final rule is effective April 20, 2018.

FOR FURTHER INFORMATION CONTACT:

Benjamin McDonough, Assistant General Counsel, (202) 452-2036, David Alexander, Counsel, (202) 452-2877, or Mark Buresh, Senior Attorney, (202) 452-5270, Legal Division, Board of

Governors of the Federal Reserve System, 20th Street and Constitution Avenue NW, Washington, DC 20551. For the hearing impaired, Telecommunications Device for the Deaf (TDD) users may contact (202) 263-4869.

SUPPLEMENTARY INFORMATION: The Board is correcting the unintended deletion of certain provisions of the regulatory capital rule originally published in the **Federal Register** on October 11, 2013.¹

A subsequent rule of the Board that established enhanced supplementary leverage ratio standards was published in the **Federal Register** on May 1, 2014.² In order to implement the enhanced supplementary leverage ratio standards, the May 1, 2014, final rule included amendatory text for 12 CFR 217.11(a)(4)(i) through (iii) and instructions to the **Federal Register** to amend 12 CFR 217.11(a)(4) on the effective date of the rule, January 1, 2018. When the amendments to 12 CFR 217.11(a)(4) were implemented on January 1, 2018, paragraphs (a)(4)(i) through (iii) of 12 CFR 217.11 were amended as intended; however, paragraphs (a)(4)(iv) and (v) and Table 1 to 12 CFR 217.11 were removed from 12 CFR part 217. The removal of paragraph (a)(4)(iv) and (v) and Table 1 to 12 CFR 217.11 was contrary to the Board's intent as stated in the May 1, 2014, final rule.³ This document amends 12 CFR 217.11 to reinstate paragraphs (a)(4)(iv) and (v) and Table 1 as in effect immediately prior to January 1, 2018.

List of Subjects in 12 CFR Part 217

Administrative practice and procedure, Banks, Banking, Holding companies, Reporting and recordkeeping requirements, Securities.

For the reasons set forth in the preamble, chapter II of title 12 of the Code of Federal Regulations is amended by making the following correcting amendments:

PART 217—CAPITAL ADEQUACY OF BANK HOLDING COMPANIES, SAVINGS AND LOAN HOLDING COMPANIES, AND STATE MEMBER BANKS (REGULATION Q)

■ 1. The authority citation for part 217 continues to read as follows:

Authority: 12 U.S.C. 248(a), 321–338a, 481–486, 1462a, 1467a, 1818, 1828, 1831n, 1831o, 1831p–l, 1831w, 1835, 1844(b), 1851, 3904, 3906–3909, 4808, 5365, 5368, 5371.

■ 2. In § 217.11, add paragraph (a)(4)(iv), Table 1 to § 217.11, and paragraph (a)(4) (v) to read as follows:

§ 217.11 Capital conservation buffer, countercyclical capital buffer amount, and GSIB surcharge.

* * * * *

(a) * * *

(4) * * *

(iv) *Prior approval.* Notwithstanding the limitations in paragraphs (a)(4)(i) through (iii) of this section, the Board may permit a Board-regulated institution to make a distribution or discretionary bonus payment upon a request of the Board-regulated institution, if the Board determines that the distribution or discretionary bonus payment would not be contrary to the purposes of this section, or to the safety and soundness of the Board-regulated institution. In making such a determination, the Board will consider the nature and extent of the request and the particular circumstances giving rise to the request.

TABLE 1 TO § 217.11—CALCULATION OF MAXIMUM PAYOUT AMOUNT

Capital conservation buffer	Maximum payout ratio (as a percentage of eligible retained income)
Greater than 2.5 percent plus 100 percent of the Board-regulated institution's applicable countercyclical capital buffer amount and 100 percent of the Board-regulated institution's applicable GSIB surcharge.	No payout ratio limitation applies.
Less than or equal to 2.5 percent plus 100 percent of the Board-regulated institution's applicable countercyclical capital buffer amount and 100 percent of the Board-regulated institution's applicable GSIB surcharge, and greater than 1.875 percent plus 75 percent of the Board-regulated institution's applicable countercyclical capital buffer amount and 75 percent of the Board-regulated institution's applicable GSIB surcharge.	60 percent.

¹ 78 FR 62018.

² 79 FR 24528.

³ See e.g., 78 FR 51101 at 51105–51107 (August 20, 2013).

TABLE 1 TO § 217.11—CALCULATION OF MAXIMUM PAYOUT AMOUNT—Continued

Capital conservation buffer	Maximum payout ratio (as a percentage of eligible retained income)
Less than or equal to 1.875 percent plus 75 percent of the Board-regulated institution's applicable countercyclical capital buffer amount and 75 percent of the Board-regulated institution's applicable GSIB surcharge, <i>and</i> greater than 1.25 percent plus 50 percent of the Board-regulated institution's applicable countercyclical capital buffer amount and 50 percent of the Board-regulated institution's applicable GSIB surcharge.	40 percent.
Less than or equal to 1.25 percent plus 50 percent of the Board-regulated institution's applicable countercyclical capital buffer amount and 50 percent of the Board-regulated institution's applicable GSIB surcharge, <i>and</i> greater than 0.625 percent plus 25 percent of the Board-regulated institution's applicable countercyclical capital buffer amount and 25 percent of the Board-regulated institution's applicable GSIB surcharge.	20 percent.
Less than or equal to 0.625 percent plus 25 percent of the Board-regulated institution's applicable countercyclical capital buffer amount and 25 percent of the Board-regulated institution's applicable GSIB surcharge.	0 percent.

(v) *Other limitations on distributions.* Additional limitations on distributions may apply to a Board-regulated institution under 12 CFR 225.4, 12 CFR 225.8, and 12 CFR 263.202.

* * * * *

By order of the Board of Governors of the Federal Reserve System, acting through the Secretary of the Board under delegated authority, April 16, 2018.

Ann Misback,

Secretary of the Board.

[FR Doc. 2018-08248 Filed 4-19-18; 8:45 am]

BILLING CODE 6210-01-P

DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

14 CFR Part 39

[Docket No. FAA-2018-0014; Product Identifier 2017-CE-044-AD; Amendment 39-19253; AD 2018-07-22]

RIN 2120-AA64

Airworthiness Directives; DG Flugzeugbau GmbH Gliders

AGENCY: Federal Aviation Administration (FAA), Department of Transportation (DOT).

ACTION: Final rule.

SUMMARY: We are superseding Airworthiness Directive (AD) 2017-08-09 for DG Flugzeugbau GmbH Model DG-500MB gliders that are equipped with a Solo 2625 02 engine modified following the instructions of Solo Kleinmotoren GmbH Technische Mitteilung Nr. 4600-3 and identified as Solo 2625 02i. This AD results from mandatory continuing airworthiness information (MCAI) originated by an aviation authority of another country to identify and correct an unsafe condition on an aviation

product. The MCAI describes the unsafe condition as the potential of an in-flight shut-down and engine fire due to failure of the connecting stud for the two fuel injector mounts of the engine redundancy system on gliders equipped with a Solo 2625 02i engine. We are issuing this AD to add a model to the applicability and require actions to address the unsafe condition on these products.

DATES: This AD is effective May 25, 2018.

The Director of the Federal Register approved the incorporation by reference of a certain publication listed in this AD as of May 26, 2017 (82 FR 18694, April 21, 2017).

ADDRESSES: You may examine the AD docket on the internet at <http://www.regulations.gov> by searching for and locating Docket No. FAA-2018-0014; or in person at Docket Operations, U.S. Department of Transportation, M-30, West Building Ground Floor, Room W12-140, 1200 New Jersey Avenue SE, Washington, DC 20590.

For service information identified in this AD, contact Solo Kleinmotoren GmbH, Postfach 600152, 71050 Sindelfingen, Germany; telephone: +49 703 1301-0; fax: +49 703 1301-136; email: aircraft@solo-germany.com; internet: <http://aircraft.solo-online.com>. You may view this referenced service information at the FAA, Policy and Innovation Division, 901 Locust, Kansas City, Missouri 64106. For information on the availability of this material at the FAA, call (816) 329-4148. It is also available on the internet at <http://www.regulations.gov> by searching for Docket No. FAA-2018-0014.

FOR FURTHER INFORMATION CONTACT: Jim Rutherford, Aerospace Engineer, FAA, Small Airplane Standards Branch, 901 Locust, Room 301, Kansas City, Missouri 64106; telephone: (816) 329-

4165; fax: (816) 329-4090; email: jim.rutherford@faa.gov.

SUPPLEMENTARY INFORMATION:

Discussion

We issued a notice of proposed rulemaking (NPRM) to amend 14 CFR part 39 by adding an AD that would apply to DG Flugzeugbau GmbH Models DG-500MB and DG-1000M airplanes. That NPRM was published in the **Federal Register** on January 16, 2018 (83 FR 2088), and proposed to supersede AD 2017-08-09, Amendment 39-18858 (82 FR 18694; April 21, 2017) ("AD 2017-08-09"). Since we issued AD 2017-08-09, the FAA has now type certificated the DG Flugzeugbau GmbH Model DG-1000M glider and that glider model is equipped with a Solo 2625 02i engine.

The NPRM proposed to correct an unsafe condition for the specified products and was based on mandatory continuing airworthiness information (MCAI) originated by an aviation authority of another country. You may examine the MCAI on the internet at: <https://www.regulations.gov/document?D=FAA-2018-0014-0002>.

Comments

We gave the public the opportunity to participate in developing this AD. We received no comments on the NPRM or on the determination of the cost to the public.

Conclusion

We reviewed the relevant data and determined that air safety and the public interest require adopting the AD as proposed except for minor editorial changes. We have determined that these minor changes:

- Are consistent with the intent that was proposed in the NPRM for correcting the unsafe condition; and