



FEDERAL RESERVE BANK OF ST. LOUIS

P.O. Box 442
St. Louis, MO 63166-0442
www.stlouisfed.org

DATE: April 1, 2011

SUBJECT: Agencies Seek Comment on Risk Retention Proposal

HIGHLIGHTS: Six federal agencies are seeking comment on a proposed rule that would require sponsors of asset-backed securities (ABS) to retain at least 5 percent of the credit risk of the assets underlying the securities and would not permit sponsors to transfer or hedge that credit risk. In crafting the proposed rule, the agencies sought to ensure that the amount of credit risk retained is meaningful, while reducing the potential for the rule to negatively affect the availability and cost of credit to consumers and businesses.

DOCUMENT LOCATION: <http://www.federalreserve.gov/newsevents/press/bcreg/20110331a.htm>

FURTHER INFORMATION: Timothy Bosch, Vice President
Banking Supervision and Regulation Department
(314) 444-8440, or 1-800-333-0810, ext. 4448440