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FRB Releases LISCC Supervision Manual



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The Federal Reserve Board (“FRB”) released its Large Institution Supervision Coordinating Committee (“LISCC”) Program [Manual](#) last week. Governor Michelle Bowman had hinted that the manual would be coming soon in recent [remarks](#) to the American Bankers Association Community Banking Conference, and which we discussed [last week](#).

The LISCC Program is the FRB’s supervisory program for the eight global systemically important banking institutions (“G-SIBs”) headquartered in the United States. The LISCC Manual provided an overview of the LISCC program, including information on structure of the program in the FRB, a discussion of the LISCC supervisory cycle, and how the LISCC program coordinates with other supervisors.

As noted in the LISCC Manual and in previous [SR Letters](#), the LISCC Program was created in the aftermath of the global financial crisis “to fulfill three primary objectives.” The three objectives are:

1. enhance the resiliency of LISCC firms to lower the probability of their failure or inability to serve as a financial intermediary;
2. reduce the impact on the financial system and the broader economy in the event of a LISCC firm’s failure or material weakness; and
3. provide information to Federal Reserve decision-makers about issues and vulnerabilities at LISCC firms that could have an adverse impact on the broader financial system and economy

While the LISCC Program Manual does move the needle a bit on FRB transparency, it may not move the needle as much as some may have been expecting. As noted above, the LISCC Manual gives a very broad description of the LISCC program that is mainly a reiteration of previous FRB announcements. It does not go into the level of detail that the FRB’s [Bank Holding Company Supervision Manual](#) does. This may be by design, and also unnecessary, as the eight LISCC banks continue to be subject to the provisions in the BHC Supervision Manual. However, there may be some

who thought the LISCC Manual would be like getting the teacher's edition of the school workbook and providing the correct answers to the workbook's questions. Anyone looking for that type of publication may be disappointed.
