SCHWARTZ & BALLEN LLP
1990 M STREET, N.W. • SUITE 500
WASHINGTON, DC 20036-3465

WWW.SCHWARTZANDBALLEN.COM

TELEPHONE
(202) 776-0700

FACSIMILE
(202) 776-0720

MEMORANDUM

April 18, 2013

To Our Clients and Friends

Re: Federal Reserve Board Proposal on Annual Assessment

The Federal Reserve Board (the "Board") is proposing to annually assess bank holding companies and savings and loan holding companies with at least $50 billion in total assets,[1] as well as nonbank financial companies designated by the Financial Stability Oversight Council for supervision by the Federal Reserve. The proposal arises from the Dodd-Frank Wall Street Reform and Consumer Protection Act, which directs the Board to collect assessments equal to the expenses it determines are necessary to execute its supervisory and regulatory responsibilities of these companies. Comments are due by July 15.

Under the proposed rule, each calendar year would represent an assessment period, with 2012 being the first assessment period. The Board will determine which companies are subject to the assessment by December 31st of each year, and will notify the companies as to the amount of their assessment by the following July 15th. Payment of assessments will be due by September 30th.

The assessment would be based on the Board's estimate of its total expense associated with the supervision and regulation of the companies. The Board estimates that the total assessment for 2012 will be $440 million. A company's assessment rate would be based upon the percentage that the company's total assets represents of the total assessable assets of all covered companies. Each company's assessment would then be determined by multiplying its assessment rate by the Board's annual expenses incurred in supervising and regulating the covered companies. The minimum assessment for each company would be $50,000.

The Board's proposal can be found at our website at http://www.schwartzandballen.com/news.html

[1] Total assets for a foreign bank holding company would be the company's total combined assets of its U.S. operations.

If you have any questions, please call Gilbert Schwartz, Robert Ballen, Tom Fox, Heidi Wicker, or Ben Gray at (202) 776-0700.