



Insights

Compliance Dates for Final Credit Risk Retention Rule Determined

Regulatory Updates - SFI December 24, 2014

The final credit risk retention rule was published in the Federal Register today, December 24, 2014, setting the compliance dates for the final rule as follows:

- Compliance with respect to asset-backed securities (ABS) collateralized by residential mortgages is required beginning December 24, 2015; and
- Compliance with regard to all other classes of ABS is required beginning December 24, 2016.

The final rule was adopted by the SEC, FDIC, Federal Reserve, OCC, FHFA, and HUD to implement the credit risk retention requirements of Section 15G of the Securities Act of 1934, which were added to that statute pursuant to Section 941 of the Dodd-Frank Act. Section 15G and the final rule generally require the securitizer of ABS, including privately-placed issuances, to retain not less than 5 percent of the credit risk of the assets collateralizing the ABS and restrict the transfer, hedging, or pledge of that credit risk.

For a copy of the final rule published in the Federal Register, [click here](#).

For a brief overview of the final rule, [click here](#).