



BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM
WASHINGTON, D. C. 20551

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

March 30, 2012

Mr. David Nason
Chief Regulatory Officer
and Compliance Leader
General Electric Capital Corporation
901 Main Avenue
Norwalk, Connecticut 06851

Dear Mr. Nason:

This is in response to your letter dated February 9, 2012, requesting that General Electric Company ("GE"), Fairfield, Connecticut, be granted exemptions from the Board's regulatory reporting requirements for savings and loan holding companies ("SLHCs"). Specifically, you requested that (1) GE, the top-tier parent, be granted a temporary exemption from complying with the Board's reporting requirements until the Board finalizes the intermediate holding company regulations for grandfathered SLHCs, and (2) GE's intermediate SLHCs, General Electric Capital Corporation ("GE Capital") and GE Consumer Finance Inc., be granted until March 31, 2013, to comply with the Board's regulatory reporting requirements.

Based on all the facts of record, the Director of the Division of Banking Supervision and Regulation, acting pursuant to authority delegated by the Board, and after consulting with the General Counsel, has determined that it is appropriate to grant GE a partial exemption from the Board's regulatory reporting requirements. In order to minimize the collection of information that is not meaningful in assessing the financial condition of a financial institution, GE Capital will be considered the top-tier SLHC for regulatory reporting purposes until further notice. GE Capital comprises approximately \$545 billion of GE's \$717 billion in total consolidated assets. GE's financial activities are principally conducted through GE Capital. Unlike the assets at the top-tier parent, which are commercial in nature, the assets and activities of GE Capital and its subsidiaries fit within the framework established in the Board's regulatory reports.

However, the Board reserves the right at its discretion to require regulatory reporting from GE as the top-tier SLHC. In addition, the Board would continue to have the authority to request information during the supervisory process that is needed to effectively assess the impact of GE's commercial operations on, and its ability to serve as a source of strength to, GE Capital and its subsidiaries.

Additionally, GE Capital and its subsidiary SLHCs will be exempted from filing the FR Y-9C/LP until the September 30, 2012, reporting period. GE Capital and its subsidiary SLHCs may submit the FR Y-9C/LP for the September 30, 2012, reporting period on a best-efforts basis, and this report will be granted confidential treatment. GE Capital and its subsidiary SLHCs are expected to be in full compliance with the Y-9C/LP filing requirements for the reporting period ending on December 31, 2012. The reporting deadlines for other reports, including the HB-11 and the FR Y-6, will not change.¹ GE should continue to submit the FR 2320 report during the temporary exemption period (i.e., for the March 31 and June 30, 2012, reporting periods).

Board and Reserve Bank staff believe that a two-quarter delay is an appropriate amount of time to allow GE Capital to rationalize data sources, design regulatory reporting tools, and establish a regulatory governance framework that will yield a more reliable and stable regulatory reporting infrastructure with better quality data. GE Capital and its subsidiary SLHCs also have been granted additional flexibility to provide best estimates for their first reporting period to assist with their transition. These terms are consistent with the regulatory reporting relief that the Board has granted to investment banks and other companies transitioning to bank holding company status.²

¹ As outlined in the Board's final notice on SLHC regulatory reports, ("December Notice"), GE Capital and its subsidiary SLHCs should submit their first FR Y-6 for year-end 2012. *76 Federal Register* 81933 (December 29, 2011). Pursuant to the December Notice, GE Capital and its subsidiary SLHCs should submit other reports, such as the FR Y-11 and FR Y-12 (nonbank subsidiaries and investments), FR Y-8 (affiliate transactions), and FR 2314 (foreign subsidiaries), beginning in 2013. The December Notice did not extend the FR Y-10 (organizational structure and activities) to SLHCs but indicated that the Board would issue a separate notice on that form shortly.

² In 2009, the Board granted several investment banks and other companies that recently converted to bank holding company status exemptions from and permitted

If you have any questions, please contact Sarah Dahlgren, Executive Vice President at 212-720-7537, or Caroline Frawley, Senior Vice President at 212-720-1215 at the Federal Reserve Bank of New York.

Very truly yours,

A handwritten signature in blue ink that reads "Robert deV. Frierson". The signature is written in a cursive style with a large initial 'R'.

Robert deV. Frierson
Deputy Secretary of the Board

cc: Sarah Dahlgren, Executive Vice President
Federal Reserve Bank of New York
Caroline Frawley, Senior Vice President
Federal Reserve Bank of New York

modifications to the Board's reporting requirements. See, e.g., Board letter to Colm Kelleher, dated February 5, 2009, (Morgan Stanley), and Board letter to Sarah Smith, dated February 5, 2009, (The Goldman Sachs Group, Inc.).