

December 31, 2020

Submitted via electronic mail to PS.Publiccomment@csbs.org

Conference of State Bank Supervisors
1129 20th Street, NW, 9th Floor
Washington, DC 20036

RE: Proposed Regulatory Prudential Standards for Nonbank Mortgage Servicers

To the Non-Depository Supervisory Committee of the Conference of State Bank Supervisors:

Credit Suisse Holdings (USA), Inc. (“Credit Suisse”) welcomes the opportunity to provide feedback on the Conference of State Bank Supervisors (“CSBS”) “Proposed Regulatory Prudential Standards for Nonbank Mortgage Servicers” (the “Proposal”).¹

The Proposal would establish a prudential regulatory framework for “nonbank mortgage servicers” under state jurisdiction. We seek clarification on one technical point:

- The Federal Reserve’s Regulation YY requires a foreign banking organization (“FBO”) with U.S. non-branch assets of \$50 billion or more to form an intermediate holding company (“IHC”);²
- The requirement to form an IHC applies whether or not the FBO has a U.S. depository institution subsidiary;
- Subject to certain exceptions, the FBO must hold its entire ownership interest in any U.S. subsidiary through its IHC;³
- IHCs are subject to consolidated supervision and regulation by the Federal Reserve under a regulatory framework that, in general terms, covers the enhanced prudential standards and heightened supervisory expectations contemplated by the Proposal;⁴
- Accordingly, we recommend that CSBS in the final standards that a mortgage servicer that is the subsidiary of an IHC would not be considered a “nonbank mortgage servicer” under the Proposal – even if the IHC does not have a U.S. depository institution subsidiary.

We appreciate the CSBS’s consideration of this recommendation. Should you have any questions, please do not hesitate to contact Keaghan Ames at (202) 626-3307 (patrick.ames@credit-suisse.com) and Yosef Ibrahim at (212) 325-1966 (yosef.ibrahimi@credit-suisse.com).

¹ CSBS, “Proposed Regulatory Prudential Standards for Nonbank Mortgage Servicers 2020,” September 2020. Available at: https://www.csbs.org/system/files/2020-09/FinalProposedPrudentialStandardsForComment-2020_1.pdf.

² 12 CFR §252.147 and 12 CFR §252.153.

³ Id.

⁴ See, e.g., The International Banking Act of 1978 (12 USC § 3101); 12 CFR Parts 217, 243, 249 and 252.