Schedule CMR but will be required to provide selected information in the manner determined by the OTS. The Director of the OTS or his designee may, within his discretion, require any otherwise exempt savings association to file the Schedule CMR on a quarterly basis.

(c) A savings association's interest rate risk exposure is measured by the decline in the NPV that would result from a 200 basis point increase or decrease in market interest rates, except when the 3-month Treasury bond equivalent yield falls below 400 basis points. In that case, the decrease will be equal to one-half of that Treasury rate.

(d) If a savings association, demonstrates to the OTS that it has reduced its IRR, in dollar amount, by the end of the quarter following the reporting date of the Schedule CMR on which the savings association's IRR component was based, the IRR component shall be lowered to that amount.

(e) Exception. Notwithstanding paragraph (a) of this section, upon the request by a savings association, the Director of the OTS, or his designee, may waive or defer, but not lower except as a result of an appeal, a savings association's IRR component. For example, the Director may determine that a waiver or deferral is warranted if the savings association has taken meaningful steps to reduce or control its interest rate risk exposure.

(f) Manuals describing the OTS Model and guidance issued by the OTS will be provided to savings associations and will be available, upon request, to others at the address set forth in § 516.1(a) of this chapter.

[58 FR 45813, Aug. 31, 1993, as amended at 59 FR 12811, Mar. 18, 1994]

§ 567.8 Leverage ratio.

Savings associations shall have and maintain core capital, as defined at 12 CFR 567.5(a), in an amount equal to at least 3.0% of adjusted total assets.

§ 567.9 Tangible capital requirement.

(a) Savings associations shall have and maintain tangible capital in an amount equal to at least 1.5% of adjusted total assets.

(b) The following elements, less the amount of any deductions pursuant to paragraph (c) of this section, comprise a savings association's tangible capital:

(1) Common stockholders' equity (including retained earnings);

(2) Noncumulative perpetual preferred stock and related earnings;

(3) Nonwithdrawable accounts and pledged deposits that would qualify as core capital under § 567.5 of this part; and

(4) Minority interests in the equity accounts of fully consolidated subsidiaries.

(c) *Deductions from tangible capital.* In calculating tangible capital, a savings association must deduct from assets, and, thus, from capital:

(1) Intangible assets, as defined in § 567.1 of this part, and servicing assets not includable in tangible capital pursuant to § 567.12 of this part.

(2) Investments, both equity and debt, in subsidiaries that are not includable subsidiaries (including those subsidiaries where the savings association has a minority ownership interest), except as provided in paragraphs (c)(3) and (c)(4) of this section.

(3) If a savings association has any investments (both debt and equity) in one or more subsidiary(ies) engaged as of April 12, 1989 and continuing to be engaged in any activity that would not fall within the scope of activities in which includable subsidiaries may engage, it must deduct such investments from assets and, thus, tangible capital in accordance with this paragraph (c)(3). The savings association must first deduct from assets and, thus, capital the amount by which any investments in such a subsidiary(ies) exceed the amount of such investments held by the savings association as of April 12, 1989. Next, the savings association must deduct from assets and, thus, tangible capital the lesser of:

(i) The savings association's investments in and extensions of credit to the subsidiary as of April 12, 1989; or

(ii) The savings association's investments in and extensions of credit to the subsidiary on the date as of which the savings association's capital is being determined.