



# OCC BULLETIN

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Comptroller of the Currency  
Administrator of National Banks

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Subject: Liquidity Risk  
Management

Description: Interagency Advisory on the Use of the  
Federal Reserve's Primary Credit Program  
in Effective Liquidity Management

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**TO:** Chief Executive Officers of All National Banks, Department and Division Heads, and All Examining Personnel

This bulletin transmits an "Interagency Advisory on the Use of the Federal Reserve's Primary Credit Program in Effective Liquidity Management" (attached), issued jointly by the Comptroller of the Currency, the Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, and the Office of Thrift Supervision on July 23, 2003.

The advisory provides background on the Federal Reserve's discount window credit programs, introduced in January 2003, and guidance on the appropriate use of the primary credit program in developing an effective liquidity risk management program. By enhancing the availability of discount window credit, the new primary credit program can assist depository institutions in managing short-term liquidity risks. The advisory also reviews existing supervisory policies on sound liquidity risk management and contingency planning, highlighting the need for institutions to develop and actively maintain liquidity contingency funding plans (CFPs).

For further guidance on liquidity risk management issues, refer to the "Liquidity" booklet of the *Comptroller's Handbook* or contact National Bank Examiner Joey H. Johnson at (202) 874-5670.

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Attachment: [Interagency Advisory](#)