

[Date]

[Name of Regulatory Agency Office]

[Address]

[City, State, Zip Code]

RE: Supervisory Response to Market Risk Capital Rule Examination - [Institution Name]

To [Name of Examiner/Supervisory Lead],

This letter serves as the official response of [Institution Name] to the supervisory findings regarding the Market Risk Capital Rule (the "Rule") communicated in the [Examination Report/Letter] dated [Date].

We acknowledge the observations regarding our market risk capital calculations and internal models. [Institution Name] is committed to maintaining a robust risk management framework that complies with the regulatory requirements set forth in [Specific Regulation Cite, e.g., 12 CFR Part 217, Subpart F].

Our response to the specific findings is as follows:

1. Internal Models and Backtesting

[Description of corrective action taken or planned regarding VaR, Stressed VaR, or backtesting exceptions.]

2. Standardized Measurement Method

[Response to findings related to specific risk add-ons or securitization positions.]

3. Market Risk Management Governance

[Details on enhancements to senior management oversight, internal audit, or model validation protocols.]

4. Data Integrity and Reporting

[Explanation of improvements to the data collection process and FFIEC 102 reporting accuracy.]

The timeline for full remediation of the outstanding items is [Date]. We have attached a detailed action plan including specific milestones and assigned personnel.

Please contact [Name of Contact Person] at [Phone Number/Email] should you require additional information or clarification regarding these matters.

Sincerely,

[Signature]

[Name of Authorized Officer]

[Title, e.g., Chief Risk Officer]
[Institution Name]

CC: [Internal Audit Committee/Board of Directors]