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Joint Release

*Board of Governors of the Federal Reserve System  
Federal Deposit Insurance Corporation  
Office of the Comptroller of the Currency  
Office of Thrift Supervision*

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FOR IMMEDIATE RELEASE  
July 22, 2002

**FEDERAL FINANCIAL INSTITUTION REGULATORS**  
**DRAFT GUIDANCE ON CREDIT CARD LENDING**

Under the auspices of the Federal Financial Institutions Examination Council, the Office of the Comptroller of the Currency, the Board of Governors of the Federal System, the Federal Deposit Insurance Corporation, and the Office of Thrift Supervision have developed account management and loss allowance guidance for credit card lending. A draft of this [interagency guidance](#), which the agencies intend to issue on August 16, 2002, is attached.

The draft guidance would apply to all institutions under the agencies' supervision that offer credit card programs. It describes the agencies' expectations for prudent risk management practices for credit card activities, particularly with regard to credit line management, over-limit accounts, and workouts. The draft guidance also addresses income recognition and loss allowance practices for credit card lending.

The agencies recognize that some institutions may require time to implement changes in policies, practices, and systems in order to achieve full consistency with the credit card guidance. Such institutions would be expected to work with their primary federal regulator to ensure implementation of needed changes as promptly as possible after the issuance of the guidance. With respect to those elements of the guidance that reflect existing, longstanding regulatory reporting requirements, the agencies' expect, as always, continued and ongoing compliance.

As the agencies complete their review of the draft document, they are interested in the views of affected institutions and other interested parties as to whether the draft provides clear guidance concerning the agencies' expectations in the areas of credit card

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account management, risk management, and loss allowance practices or, instead, has "fatal flaws" in these areas. Institutions and other parties that choose to respond should provide their views electronically **no later than 5:00 p.m. on August 9, 2002.**

Responses to the agencies should be submitted electronically to the FFIEC Web site, [www.FFIEC.gov](http://www.FFIEC.gov) (click on the option [ffiec-suggest@frb.gov](mailto:ffiec-suggest@frb.gov)). The responses may also be submitted directly to [ffiec-suggest@frb.gov](mailto:ffiec-suggest@frb.gov).

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Attachment

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