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OCC's New Litigation Handbook Focuses on Risks

WASHINGTON -- The Office of the Comptroller of the Currency's (OCC) new Litigation and Other Legal Matters handbook describes litigation and other legal risks faced by banks, provides in-depth discussion of audit and insurance coverage, and specifies how examiners should evaluate a bank's litigation risk management.

It states that examiners will review the quality of each bank's policies, processes and personnel for handling litigation and other legal risks. It also provides guidance for occasions when an examiner must obtain legally privileged material from a bank.

The handbook guides bank management in developing policies to help ensure that directors and management remain fully informed of potential litigation and other legal issues where a bank could face significant risks to its capital and earnings, and it helps them monitor and control these risks.

The primary risks for banks associated with litigation include: liquidity, reputation, strategic, credit, and compliance risks.

The handbook can be accessed from the OCC's web site:
www.occ.treas.gov.

The OCC charters, regulates and examines approximately 2,400 national banks and 58 federal branches and agencies of foreign banks in the United States, accounting for 57 percent of the nation's banking assets. Its mission is to ensure a safe, sound and competitive national banking system that supports the citizens, communities and economy of the United States.