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OCC Adopts Standards for Developing Regulations

The Office of the Comptroller of the Currency (OCC) has adopted a set of Standards for Developing Regulations that apply to all the rules that the agency issues.

"These standards set benchmarks that we can use to help measure our effectiveness," said OCC Chief Counsel Julie L. Williams. "We realized during our regulatory review process that we needed better ways of evaluating the practical effects of our rules. Developing standards is an important step in that effort."

The standards, which are contained in [OCC Bulletin 97-8](#), are based on the guiding principles the OCC used in its comprehensive Regulation Review Program. The program is part of the OCC's overall effort to promote an environment where risk is prudently managed by banks and appropriately monitored by the OCC, without imposing unnecessary regulatory burdens that undermine the ability of banks to operate efficiently, compete vigorously, and provide credit and other financial products and services to the public.

The new standards include the following key principles:

- Develop risk-focused regulations that effectively target the areas of bank activity that present the greatest risk to safety and soundness, the payments system, or the long-term vitality of the national banking system, or are required by statute;
- Eliminate unnecessary regulatory burden and minimize the burden resulting from requirements that are necessary for the effective supervision of national banks;
- Promote national banks' competitiveness and allow industry innovation;
- Adopt regulations that can be understood by a reasonably knowledgeable person;
- Maximize the opportunity for national bank and public participation in its rulemaking, including timing the effective dates of its regulations to facilitate national banks' planning processes; and,
- Encourage continual reevaluation of the OCC's rules.

The bulletin also points out a variety of mechanisms used by the OCC to obtain feedback, directly or indirectly. These include: a new initiative to assess the effectiveness of regulations in meeting articulated policy goals; participation by the Comptroller and senior members of the agency's staff in outreach or focus group meetings with bankers and public interest organizations; meetings with representatives of individual banks

or with members of trade, professional, or public interest organizations; intra-agency updates and feedback through meetings and electronic mail; and continuing solicitation of comment from all interested parties through the OCC's website on the Internet.

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The OCC charters, regulates and supervises approximately 2,800 national banks and 66 federal branches and agencies of foreign banks in the U.S., accounting for more than half 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.