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OCC Adds 300 National Banks to 18-Month Exam Cycle

WASHINGTON, D.C. -- The Office of the Comptroller of the Currency (OCC) announced today that it will move approximately 300 additional national banks from 12-month to 18-month examination cycles. This change will bring the total number of national banks on an 18-month exam cycle to approximately 1,850. This action follows approval today of joint regulations by the OCC, Federal Reserve Board, Federal Deposit Insurance Corporation and Office of Thrift Supervision.

The new regulations implement the extended exam cycle authorized by Congress last September. The Economic Growth and Regulatory Paperwork Reduction Act extended the eligibility for the 18-month cycle from CAMELS 1-rated banks with up to \$250 million in assets and CAMELS 2-rated banks with up to \$100 million in assets to banks with up to \$250 million in assets and with an examination rating of at least a CAMELS 2, with one being the highest on a five-step scale. For a bank to be eligible, it also must be well capitalized, well managed, and not subject to an enforcement proceeding.

"This action will allow the OCC to reduce the regulatory burden on smaller, well-run institutions that do not present a safety and soundness concerns or pose a risk to the industry as a whole," said Comptroller of the Currency Eugene A. Ludwig. Even though the OCC has the discretion to examine a qualified national bank only once every 18 months, OCC examiners in charge of each bank stay in regular communication with their assigned banks, and the OCC can examine a national bank whenever it believes there is cause. Larger and more complex national banks are examined more frequently.

A copy of the joint regulation Expanded Examination Cycle For Certain Small Insured Institutions (12 CFR Part 4) may be obtained by writing to Comptroller of the Currency, Communications Division, Washington, DC 20219; faxing a request to (202)874-4448; retrieving the document from the OCC's web page at <http://www.occ.treas.gov>; or visiting the OCC's Public Reference Room at 250 E Street, S.W. in Washington, D.C. (9 a.m.-noon and 1-3 p.m., Monday-Friday).

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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.