



# Agency Profile and History

The Office of the Comptroller of the Currency's (OCC) mission is to charter, regulate, and supervise all national banks and federal savings associations (collectively, banks) and to supervise the federal branches and agencies of foreign banks. In supervising banks, the OCC's goal is to ensure that they operate in a safe and sound manner and in compliance with laws requiring fair treatment of their customers and fair access to credit and financial products. The OCC is an independent bureau of the U.S. Department of the Treasury.

The President nominates the Comptroller of the Currency subject to confirmation by the U.S. Senate. The Comptroller also serves as a director of the Federal Deposit Insurance Corporation (FDIC) and NeighborWorks America.

When John Dugan, the 29th Comptroller of the Currency, completed his five-year term in August 2010, John Walsh became Acting Comptroller of the Currency.

Headquartered in Washington, D.C., the OCC has four district offices plus an office in London, which supervises the international activities of national banks. The OCC's nationwide staff of examiners conducts on-site reviews of banks and provides sustained supervision of these institutions' operations. Examiners analyze loan and investment portfolios, funds management, capital, earnings, liquidity, sensitivity to market risk for all banks, and compliance with consumer banking laws governing banks with less than \$10 billion in assets. The OCC examiners review internal controls, perform internal and external audits, and ensure

compliance with law. They also evaluate management's ability to identify and control risk.

In supervising banks, the OCC has the power to

- examine the banks;
- approve or deny applications for new charters, branches, capital, or other changes in corporate or banking structure;
- take supervisory actions against banks that do not comply with laws and regulations or that otherwise engage in unsound practices;
- remove officers and directors, negotiate agreements to change banking practices, and issue cease-and-desist orders as well as civil money penalties; and



Abraham Lincoln



Salmon P. Chase



Hugh McCulloch

- issue rules and regulations, legal interpretations, and corporate decisions governing investments, lending, and other practices.

The OCC and the national banking system were created by the National Currency Act, which President Abraham Lincoln signed into law on February 25, 1863. In June 1864, the law was substantially revised and expanded and given a new name: the National Bank Act. It remains the basic statute under which the OCC and the national banking system operate today.

The first Comptroller of the Currency was Hugh McCulloch, formerly the president of the

state-chartered Bank of Indiana. McCulloch went to Washington to argue against passage of the National Currency Act but soon came to appreciate its merits. Salmon P. Chase, Lincoln's Secretary of the Treasury, asked him to lead the new system, and McCulloch agreed.

Under McCulloch, his successors, and a professional staff of national bank examiners, the new system made an important contribution to the robust growth of the U.S. economy. National banks under OCC supervision issued a uniform national currency, which replaced the previous varied and unreliable money supply, and provided financial services all across the country.

The National Bank Act endows the OCC with considerable operational independence. The OCC does not receive appropriations from Congress. Instead, the OCC's operations are funded primarily through assessments on national banks. National banks pay additional fees for the OCC to process charter, merger, and other corporate applications.

On July 21, 2011, under provisions of the Dodd–Frank Wall Street Reform and Consumer Protection Act of 2010,<sup>1</sup> the Office of Thrift Supervision (OTS) became part of the OCC. As a result, the OCC is responsible for the supervision of federal savings associations, under the Home Owners' Loan Act.

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<sup>1</sup> Hereafter referred to as Dodd–Frank in this report.