NEWS RELEASE

Comptroller of the Currency
Administrator of National Banks

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OCC Announces Assessment Schedule for 2001

WASHINGTON -- The Office of the Comptroller of the Currency announced today that its assessment schedule for 2001 will reflect a reinstatement of the inflation adjustment that was suspended six years ago. The 2 percent inflation adjustment will apply only to the first $20 billion of a bank's assets.

"The fee reductions implemented by the OCC beginning in 1995, including the suspension of the inflation adjustment, are now saving national banks $90 million a year," said Edward J. Hanley, Senior Deputy Comptroller for Administration. "However, the cost of living has increased more than 16 percent since that time and that affects the cost of everything we do. This modest adjustment to our assessment schedule will ensure that we have the resources we need to carry out our supervisory responsibilities."

Mr. Hanley said the majority of the banks supervised by the OCC -- those with assets of $100 million or less -- would experience an assessment increase of no more than $772. Many banks will pay less, he added. The assessments for a $20 million bank, for example, will rise by $266.

In 1995, the OCC reduced assessments by 6 percent and suspended inflation indexing. Assessments were reduced an additional 3 percent in 1996, and in 1997 assessments for non-lead banks were lowered by 12 percent.

The OCC's assessment regulation authorizes rate adjustments up to the amount of the increase in the Gross Domestic Product Implicit Price Deflator for the 12 months ending in June. For the 12-month period ending June 30, 2000, that inflation index rose by 2.01 percent.

The OCC also announced that it is changing the way it assesses independent trust banks to better reflect the overall scope of the operation of such institutions. Under the change, a new component of the assessment paid by independent trust banks will be based on the volume of assets they manage for customers.

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The OCC charters, regulates and examines approximately 2,300 national banks and 56 federal branches of foreign banks in the U.S., accounting for more than 56 percent of the nation's banking assets. Its mission is to ensure a safe and sound and competitive national banking system that supports the citizens, communities and economy of the United States.