



Comptroller of the Currency
Administrator of National Banks
US Department of the Treasury

OCC Update

August – December 2012

COMMUNITY AFFAIRS

OCC Update is an electronic newsletter that provides information about the Office of the Comptroller of the Currency's (OCC) work in the fair treatment and fair access to financial services of all Americans. Please e-mail us at communityaffairs@occ.treas.gov.

■ **Community Affairs News** ■ **Enforcement** ■ **Supervision** ■ **Issuances**

Community Affairs News

Comptroller Curry Discusses Actions to Prevent the Next Fiscal Crisis

Comptroller of the Currency Thomas J. Curry [discussed](#) November 15, 2012, steps being taken to prevent the next fiscal crisis during a speech before the second annual business meeting and conference of the Clearing House in New York, N.Y.

Comptroller Curry Speaks to Community Bankers About Risk Management

Comptroller Curry [spoke](#) to community bankers November 9, 2012, during the Eighth Annual Community Bankers Symposium in Chicago, Ill., about the importance of effective risk management.

Comptroller Curry Discusses Community Banker Concerns

Comptroller Curry discussed October 23, 2012, a variety of concerns expressed by community bankers during a [speech](#) at an event sponsored by the Florida Bankers Association in Miami, Fla.

Comptroller Curry Speaks at American Bankers Association Convention

Comptroller Curry [discussed](#) October 15, 2012, regulatory issues facing national banks and federal savings associations with attendees of the American Bankers Association's national convention in San Diego, Calif.

Comptroller Curry Addresses the National Bankers Association

Comptroller Curry discussed October 3, 2012, minority depository institutions during a [speech](#) at the annual convention of the National Bankers Association in New Orleans, La.

Comptroller Curry Addresses the Financial Services Roundtable

Comptroller Curry gave a [speech](#) September 20, 2012, about effective bank supervision and the national banking system before the Financial Services Roundtable in Washington, D.C.

Comptroller Curry Highlights Importance of Risk Management

Comptroller Curry emphasized the importance of risk management during a [speech](#) October 29, 2012, at a conference for industry risk management professionals in Dallas, Texas.

Comptroller Curry Addresses the New England Council

Comptroller Curry [spoke](#) December 7, 2012, about the OCC's risk-based approach to bank supervision before the New England Council in Boston, Mass.

Comptroller Curry Addresses the Massachusetts Housing Alliance

Comptroller Curry [spoke](#) December 3, 2012, about managing risk and providing homeownership opportunities before the Massachusetts Housing Alliance in Boston, Mass.

OCC Supports National Protect Your Identity Week

The OCC joined the public-private coalition that supports Protect Your Identity Week, October 20–27, 2012, to focus on how the increasing use of smart phones by consumers presents greater risks for identity theft. [View the news release.](#)

OCC Publishes Report Covering How Banks Can Use Small Business Investment Companies to Expand Business

The OCC published September 26, 2012, its Community Developments Insights report titled “[Small Business Investment Companies: An Investment Option for Banks.](#)” The report describes how Small Business Investment Companies operate, and outlines risk management and regulatory considerations for banks considering these investments.

OCC Publishes Report Covering How Banks Can Participate in Healthy-Food Initiatives

The OCC August 23, 2012, published its Community Developments Investments electronic newsletter, titled “[Bank Financing of Healthy-Food Initiatives.](#)” which describes how national banks and federal savings associations are helping to finance projects that bring fresh produce and healthy food choices to underserved, low-income neighborhoods.

OCC, Ex-Im Bank, and SBA Sponsor Webinar on How Community Banks Can Finance Small-Business Exporters

The OCC, in cooperation with the Export-Import Bank (Ex-Im Bank) of the United States and the U.S. Small Business Administration (SBA), hosted a free webinar on November 1, 2012. [View the news release.](#)

Enforcement

Copies of final actions are available for download by viewing the searchable [database](#).

OCC Assesses Civil Money Penalty Against HSBC Bank USA NA

The OCC [announced](#) December 11, 2012, a \$500 million civil money penalty against HSBC Bank USA NA, based on the bank’s violations of the Bank Secrecy Act and the act’s underlying regulations, and on the bank’s failure to fully comply with a cease-and-desist order issued in October 2010 that addressed these violations.

OCC Assesses Civil Money Penalty Against American Express Bank, Orders \$6 Million in Restitution

The OCC [announced](#) October 1, 2012, a \$500,000 civil money penalty against American Express Bank FSB for violations of section 5 of the Federal Trade Commission Act. The OCC ordered the bank to provide approximately \$6 million in restitution to an estimated 17,000 affected customers. The OCC also ordered the bank to establish an effective vendor management program to oversee the provision of products to the bank’s customers.

OCC Enforcement Actions

[News Release 2012-179](#) announces eight enforcement actions and the termination of six actions taken against national banks, federal savings associations, and individuals currently and formerly affiliated with national banks and federal savings associations (Kan., Minn., N.J., N.M., Ohio, R.I., Texas, Va., Wis.).

[News Release 2012-167](#) announces 16 enforcement actions and the termination of nine actions taken against national banks, federal savings associations, and individuals currently and formerly affiliated with national banks and federal savings associations (Ark., Conn., Fla., Ill., Ind., Ky., La., Mich., Minn., Miss., Mo., N.J., Ohio, Pa., Texas, Wash., W.Va., Wis.).

[News Release 2012-148](#) announces 11 enforcement actions and the termination of 10 actions taken against national banks, federal savings associations, and individuals currently and formerly affiliated with national banks and federal savings associations (Ark., Ala., Colo., D.C., Ill., Iowa, Kan., Miss., Mo., Mont., Texas, Utah).

[News Release 2012-132](#) announces 21 enforcement actions and the termination of 11 actions taken against national banks, federal savings associations, and individuals currently and formerly affiliated with national banks and federal savings associations (Ala., Alaska, Calif., Conn., Fla., Ill., Kan., Ky., Md., Miss., Minn., N.J., S.C., S.D., Ohio, Texas, Va.).

Supervision

OCC Chief Counsel Julie Williams Announces Retirement

Julie Williams, Chief Counsel of the Office of the Comptroller of the Currency, announced August 13, 2012, she will step down on September 30, 2012, and plans to retire from federal service at the end of the year. [View the news release.](#)

Karen Solomon to Serve as Acting Chief Counsel

Comptroller Curry announced December 26, 2012, Karen Solomon would begin a three-month term as the OCC's acting Chief Counsel. [View the news release.](#)

OCC Deputy Comptroller Taylor Named Basel Committee Standards Group Chair

The OCC [announced](#) October 3, 2012, that Charles Taylor, Deputy Comptroller for Regulatory Policy, has been selected by the Basel Committee on Banking Supervision to chair its Standards Implementation Group.

OCC Names Two Senior National Bank Examiners

The OCC [announced](#) November 5, 2012, that it had designated William D. Haas and Scott J. Wilson Senior National Bank Examiners.

OCC Names Ellen M. Warwick Director for Enforcement and Compliance

The OCC [announced](#) September 5, 2012, the selection of Ellen M. Warwick as Director for Enforcement and Compliance.

OCC Issues Third Quarter 2012 Mortgage Metrics Report

According to the [report](#) published by the OCC on December 21, 2012, the overall quality of first-lien mortgages serviced by large national banks and federal savings associations improved from the same period a year ago, but declined from the prior quarter.

OCC Issues Second Quarter 2012 Mortgage Metrics Report

According to the [report](#) published by the OCC on September 27, 2012, the overall quality of first-lien mortgages serviced by large national banks and federal savings associations improved from the same period a year ago but showed seasonal decline from the prior quarter.

Agencies Release Annual CRA Asset-Size Threshold Adjustments for Small and Intermediate Small Institutions

Federal bank regulatory agencies announced December 19, 2012, the annual adjustment to the asset-size thresholds used to define small bank, small savings association, intermediate small bank, and intermediate small savings association under the Community Reinvestment Act regulations. [View the joint news release.](#)

OCC Renews Mutual Savings Associations Advisory Committee

The OCC [announced](#) December 12, 2012, that it had renewed the charter for the Mutual Savings Associations Advisory Committee (MSAAC) and will host the first meeting of the MSAAC on January 16, 2013, in Washington, D.C.

OCC Report Highlights Risks Facing National Banks and Federal Savings Associations

The OCC's [Semiannual Risk Perspective](#) for Fall 2012 details risks facing the banking industry in its effort to improve profitability and address revenue challenges.

Deputy Comptroller Discusses Risk Management

Darrin Benhart, Deputy Comptroller for Credit and Market Risk, [discussed](#) October 25, 2012, the OCC's perspective on risk management during the 20th Annual Financial Services Collections and Credit Conference in Scottsdale, Ariz.

Report Shows Credit Risk in the Shared National Credit Portfolio Declines, but Remains High

According to an August 27, 2012, joint news release, the [Shared National Credits \(SNC\) Review](#) for 2012 shows that the credit quality of large loan commitments owned by U.S. banking organizations, foreign banking organizations, and nonbanks improved in 2012 for the third consecutive year.

OCC Testifies on Proposed Capital Rules

John C. Lyons Jr., Senior Deputy Comptroller for Bank Supervision Policy and Chief National Bank Examiner, [testified](#) November 29, 2012, before two subcommittees of the House Committee on Financial Services on proposed capital rules to improve the safety and soundness of the federal banking system. Senior Deputy Comptroller Lyons [testified](#) November 14, 2012, on the same proposed capital rules before

the Senate Committee on Banking, Housing, and Urban Affairs.

Agencies Provide Guidance on Regulatory Capital Rulemakings

Federal bank regulatory agencies [announced](#) November 9, 2012, that the agencies do not expect three notices of proposed rulemaking issued in June to become effective on January 1, 2013. The proposed rules revise and replace current regulatory capital rules.

Agencies Release a Regulatory Capital Estimation Tool to Assist in Assessing the Potential Effects of Recently Proposed Regulatory Capital Rules

Federal bank regulatory agencies [announced](#) September 24, 2012, the availability of a regulatory capital estimation tool to help community banking organizations and other interested parties evaluate recently published regulatory capital proposals.

Agencies Extend Comment Period on Regulatory Capital Proposals

Federal bank regulatory agencies [announced](#) August 8, 2012, they have extended the comment period until October 22, 2012, on three notices of proposed rulemaking that would revise and replace the agencies' current capital rules.

OCC Releases Guidance on Large Bank Stress Testing Scenarios

The OCC released [interim guidance](#) November 15, 2012, that describes how the OCC will develop and distribute scenarios for use in annual stress tests required under the Dodd–Frank Wall Street Reform and Consumer Protection Act of 2010.

OCC Announces New Stress Testing Guidance and Commercial Real Estate Stress Test Tool

The OCC provided guidance October 18, 2012, to national banks and federal savings associations with assets of \$10 billion or less (community banks) on using stress testing to assess risk in their loan portfolios. [View the news release.](#)

Comptroller Curry Makes Statement Regarding FDIC Stress Test Rule

Comptroller Curry made a [statement](#) October 9, 2012, on the stress test rule at a meeting of the Board of Directors of the Federal Deposit Insurance Corporation.

OCC Releases Final Rule Regarding Large Bank Stress Tests

The OCC [announced](#) October 9, 2012, the publication of its final rule regarding company-run stress testing required by Dodd–Frank. The rule applies to covered institutions with average total consolidated assets greater than \$10 billion.

OCC Proposes Annual Stress Test Reporting Requirements for Covered Institutions with Consolidated Assets of \$50 Billion or More

The OCC [published](#) August 16, 2012, a notice of a proposed information collection for comment in the Federal Register regarding annual stress test reporting.

OCC Updates Stress Testing Implementation Timeline

The OCC [announced](#) August 27, 2012, it is considering changes to the implementation timeline for the company-run stress testing required by Dodd–Frank. Testing implementation may be delayed until September 2013 for covered institutions with total consolidated assets between \$10 billion and \$50 billion.

Agencies Issue Supplemental Statement on Supervisory Practices Regarding Financial Institutions and Borrowers Affected by Hurricane Sandy

The Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, the National Credit Union Administration, and the OCC are issuing supplemental guidance to their October 30, 2012, statements about financial institutions and borrowers affected by Hurricane Sandy. [View the joint news release.](#)

FFIEC: Federal Financial Regulators Release Statement on the Impact of Drought Conditions on Financial Institutions

The Federal Financial Institutions Examination Council (FFIEC) encouraged financial institutions October 16, 2012, to work constructively with borrowers that have been affected by drought conditions and consider alternatives for prudently restructuring credit facilities as appropriate. [View the news release.](#)

Advertising Reminds Eligible Borrowers to Request Foreclosure Review

Advertising and other outreach efforts are kicking off around the country to remind eligible borrowers of the December 31 deadline to request a free, impartial review through the Independent Foreclosure Review. [View the joint news release.](#)

Agencies Extend Independent Foreclosure Review

The OCC and the Board of Governors of the Federal Reserve System [announced](#) August 2, 2012, the extension to December 31, 2012, of the deadline for submitting requests for review under the Independent Foreclosure Review.

Interpretation and Actions August-December 2012

The OCC no longer prints and mails paper copies of *Interpretations and Actions*. This publication is available on the [Interpretations and Actions](#) page.

[View](#) August Interpretations and Precedents.

[View](#) September Interpretations and Precedents.

[View](#) October Interpretations and Precedents.

[View](#) November Interpretations and Precedents.

[View](#) December Interpretations and Precedents.

Community Reinvestment Act Examinations

The OCC's Web site provides access to a [searchable list](#) of all public CRA evaluations.

View the [first quarter](#) 2013 CRA examination schedule.

View the [fourth quarter](#) 2012 CRA examination schedule.

[CRA Evaluations for 36 National Banks and Federal Savings Associations](#) (Ala., Ariz., Ark., Calif., Colo., Fla., Ill., Ky., La., Md., Mich., Neb., N.H., N.J., Ohio, Okla., Pa., S.C., Tenn., Texas, Va., Wis.)

[CRA Evaluations for 30 National Banks and Federal Savings Associations](#) (Ark., Calif., Ga., Iowa, Ill., Ind., Kan., Ky., Minn., Mo., Miss., N.M., Ohio, Pa., Tenn., Texas, Wis., W.Va.)

[CRA Evaluations for 31 National Banks and Federal Savings Associations](#) (Ariz., Calif., Del., Fla., Iowa, Ill., Ind., Ky., Mass., Md., Minn., Mont., N.Y., Okla., Pa., S.C., Tenn., Texas, Vt.)

[CRA Evaluations for 29 National Banks and Federal Savings Associations](#) (Calif., Colo., Conn., Fla., Ga., Ky., Mass., Maine, Minn., Mo., Miss., N.J., N.Y., Ohio, Okla., Pa., S.C., Texas, Wyo.)

[CRA Evaluations for 18 National Banks and Federal Savings Associations](#) (Fla., La., Maine, N.Y., Ohio, Okla., Tenn., Texas, Wis., Wyo.)

Issuances

OCC Bulletins

OCC Bulletin 2012-41: "[Stress Testing: Final Rule for Dodd-Frank Act Section 165\(i\)](#)," December 20, 2012.

OCC Bulletin 2012-40: "[Notice of Comptroller of the Currency Fees for Year 2013: Calendar Year 2013 Fee Structure](#)," November 30, 2012.

OCC Bulletin 2012-39: "[Conversions of Depository Institutions: Interagency Statement on Section 612 of the Dodd-Frank Act: Restrictions on Conversions of Troubled Banks](#)," November 26, 2012.

OCC Bulletin 2012-38: "[Civil Money Penalty: Inflation Adjustment Amendment: Final Rule](#)," November 20, 2012.

OCC Bulletin 2012-37: "[Servicemembers Civil Relief Act: Extension of Time Period for Certain Protections](#)," November 19, 2012.

OCC Bulletin 2012-36: "[Lending Limits: Notice of Compliance Extension](#)," November 14, 2012.

OCC Bulletin 2012-35: "[Retail Foreign Exchange Transactions: Notice of Proposed Rulemaking](#)," October 31, 2012.

OCC Bulletin 2012-34: "[Supervision of Technology Service Providers: FFIEC IT Examination Handbook Booklet Revision and Administrative Guidelines for Interagency Supervisory Programs](#)," October 31, 2012.

OCC Bulletin 2012-33: "[Community Bank Stress Testing: Supervisory Guidance](#)," October 18, 2012.

OCC Bulletin 2012-32: "[Appraisals for Higher-Risk Mortgage Loans: Notice of Proposed Rulemaking](#)," October 15, 2012.

OCC Bulletin 2012-31: "[Short-Term Investment Funds: Final Rule](#)," October 10, 2012.

OCC Bulletin 2012-30: "[BSA/AML Compliance Examinations: Consideration of Findings in Uniform Rating and Risk Assessment Systems](#)," September 28, 2012.

OCC Bulletin 2012-29: "[Community Reinvestment Act: Income Level for Median Family Income](#)," September 24, 2012.

OCC Bulletin 2012-28: "[Responding to a Declaration of a Legal Holiday or a Natural Disaster: Supervisory Guidance on Natural Disasters and Other Emergency Conditions](#)," September 21, 2012.

OCC Bulletin 2012-27: "[Investor-Owned One- to Four-Family Residential Properties: Supervisory Guidance on Risk Management and Reporting Requirements](#)," September 17, 2012.

OCC Bulletin 2012-26: "[Investments in Corporate Debt Securities: FDIC's final rule: Permissible Investments for Federal and State Savings Associations](#)," September 12, 2012.

OCC Bulletin 2012-23: "[OCC Issuances: Rescission of Documents](#)," August 24, 2012.

OCC Bulletin 2012-22: "[Unique and Hard-to-Value Assets: New Comptroller's Handbook Booklet](#)," August 23, 2012.

Publications and Reports

[Small Business Investment Companies: An Investment Option for Banks](#), September 2012.

[Bank Financing of Healthy-Food Initiatives](#), August 2012.

[OCC Mortgage Metrics Report, Third Quarter 2012](#), December 2012.

[OCC Mortgage Metrics Report, Second Quarter 2012](#), September 2012.

Financial Literacy Update

- [November–December 2012](#)
- [September–October 2012](#)
- [July–August 2012](#)

Congress created the OCC to charter national banks, oversee a nationwide system of banking institutions, and assure that national Banks are safe and sound, competitive and profitable, and capable of serving in the best manner the banking needs of their customers. You are subscribed to receive periodic news and information from the OCC's Community Affairs Department. For more information, visit OCC's [Community Affairs](#) page. To unsubscribe, visit www.occ.gov/emaillist.