



Fiscal Year 2019 Bank Supervision Operating Plan Office of the Comptroller of the Currency Committee on Bank Supervision

The Office of the Comptroller of the Currency's (OCC) Committee on Bank Supervision (CBS) strategy planning guidance sets forth the agency's supervision priorities and objectives. The agency's fiscal year (FY) for 2019 begins October 1, 2018, and ends September 30, 2019. The FY 2019 plan aligns with "The OCC's Strategic Plan, Fiscal Years 2019–2023" and the National Risk Committee's risk priorities. The operating plan guides the development of supervisory strategies for individual national banks, federal savings associations, federal branches, and federal agencies (collectively, banks), as well as technology service providers. Managers and staff in the CBS operating units – the Office of the Chief National Bank Examiner, Compliance and Community Affairs, Large Bank Supervision, and Midsize and Community Bank Supervision – will use this plan to guide their supervisory priorities, planning, and resource allocations for FY 2019.

Priority Objectives for CBS Operating Units

The FY 2019 bank supervision operating plan identifies priorities across each of the CBS operating units. CBS managers will use these objectives to develop individual operating unit plans and risk-focused bank supervisory strategies. While the objectives are similar for the Large Bank Supervision and Midsize and Community Bank Supervision departments, CBS managers will differentiate bank size, complexity, and risk profile when developing individual bank supervisory strategies. CBS operating plans include resources and support for risk-focused examinations of technology and significant service providers that provide critical processing and services to banks. The OCC will adjust supervisory strategies, as appropriate, during the fiscal year in response to emerging risks and supervisory priorities. For FY 2019, in addition to the baseline supervision to assign ratings, the development of supervisory strategies will focus on the following risk areas:

- Cybersecurity and operational resiliency, with emphasis on maintaining information technology systems and remediating identified concerns.
- Commercial and retail credit loan underwriting, concentration risk management, credit risk management, and the allowance for loan and lease losses, including preparations for the current expected credit losses accounting rule.
- Bank Secrecy Act/anti-money laundering (BSA/AML) compliance, with emphasis on determining whether AML compliance programs keep pace with changing risk environments and regulatory developments.
- Consumer-compliance related change management process, with emphasis on implementation of regulatory requirements, including the Home Mortgage Disclosure Act,

the integrated mortgage disclosure requirements under the Truth in Lending Act and Real Estate Settlement Procedures Act, and the Military Lending Act.

- Internal controls and end-to-end processes necessary for product and service delivery. This may include emphasis on implementation of new or revised products or strategic partnerships.

Resources should remain focused on significant risks in FY 2019 while considering reasonable coverage of other areas. Strategies should focus on control functions and, as appropriate, leverage the institutions' audit, loan review, and risk management processes.

To facilitate an agency-wide view of risk on selected topics, the CBS operating units will prioritize and coordinate resources and conduct various horizontal risk assessments during the fiscal year. The CBS may direct horizontal assessments, as appropriate, during the supervisory cycle.

The OCC will provide periodic updates about supervisory priorities and horizontal risk assessments in the *Semiannual Risk Perspective* report.