

Statement by
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Acting Comptroller of the Currency
at the
Financial Stability Oversight Council
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Thank you, Madam Secretary and thank you for your leadership of this body as we meet for the first time since your becoming Chair.

As indicated in today's presentation by the Federal Reserve Board, financial stability implications of climate change is one of a number of areas that by its nature benefits from collaboration with multiple stakeholders including market participants, FSOC member agencies, and international standard-setting bodies.

Several agencies are charged with the responsibility of addressing climate change. The OCC's attention, however, as the prudential supervisor of the federal banking system, is always focused on the safety, soundness, and fairness of national banks, federal savings associations, and federal branches and agencies of foreign banks. Our role is to ensure that those financial institutions understand the risks they face and have robust risk management to control and monitor the risks and their impacts. Those risks can arise in many ways including contexts that relate to climate change, either because of physical conditions or climate-related transitions in business and other environments. Accordingly, in common with others, we are developing our knowledge of the risks in this area by engaging with relevant stakeholders. Within the OCC, the agency's National Risk Committee oversees our internal work on the subject as it monitors systemic and supervision risks facing the federal banking system.

The agency is active domestically and internationally on issues related to climate change. For example, we participate in the Basel Committee on Banking Supervision's Task Force on Climate-Related Financial Risks. To date, the group has taken stock of member initiatives on climate-related financial risks, cataloguing them for member organizations to benefit from one another's experience.

Collaboration, domestic and international, is also critical to avoid risks of regulatory fragmentation and maximize the resources and effect of our efforts. Internationally active national banks and federal savings associations are already reviewing requirements applicable to their activities overseas.

We look forward to continuing to work with FSOC member agencies and FSOC staff in this area.