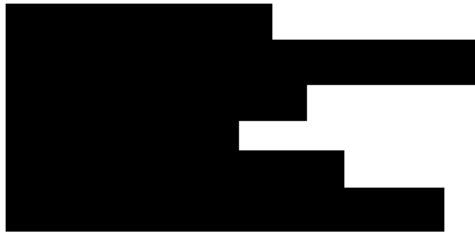




Interpretive Letter #1190
October 2025

October 20, 2025



Dear [REDACTED]:

This letter is in response to the petition for rulemaking (“Petition”) that you submitted to the Office of the Comptroller of the Currency (“OCC”) on February 8, 2024. The Petition requested that the OCC engage in rulemaking requiring at least some members of a large bank’s board of directors to be unaffiliated with the bank’s holding company and its affiliates. Specifically, the Petition requested that the OCC adopt a rule either (i) requiring banks with more than \$10 billion in assets to include a majority of “outside and independent” directors, similar to a prior FDIC proposal¹ or (ii) establishing a “sliding scale” to determine the number of unaffiliated directors required based on the extent of the holding company’s non-bank activities.

The OCC has reviewed and considered the Petition. For the reasons described below, the OCC declines to grant the Petition.

The Petition asserts that most large bank directors serve on parent company boards and that dual directorships cause inherent conflicts of interest because these directors owe fiduciary duties to both the parent and bank and thus have strong incentives to exploit the bank. The Petition does not provide persuasive evidence to support the position that these potential conflicts of interest present a significant and immediate risk to the safety and soundness of banks. The OCC believes that the current regulatory framework adequately addresses potential risks that such conflicts could present to national banks and Federal savings associations.²

¹ See FDIC, Guidelines Establishing Standards for Corporate Governance and Risk Management for Covered Institutions With Total Consolidated Assets of \$10 Billion or More, 88 FR 70391 (proposed Oct. 11, 2023).

² The OCC notes that its guidance has long discussed dual directors, their fiduciary obligations, and the risk of conflicts. See e.g., *Director’s Book: Role of Directors for National Banks and Federal Savings Associations* (2020); *Comptroller’s Handbook: Related Organizations* (2004).

In addition, in light of other current competing rulemaking priorities, implementing the Petitioner's request would not be an effective use of the OCC's resources at this time. The OCC is pursuing a robust regulatory agenda focused specifically on those items that it believes based on its supervisory experience and expertise require the agency's immediate attention. Even if the OCC agreed with Petitioner [REDACTED] that the benefits of the petitioned rulemaking could conceivably outweigh its costs, the agency still believes that diverting its resources from the current regulatory agenda to the petitioned rulemaking would be a poor use of those resources.

In light of the foregoing, the OCC has determined not to grant the Petition for rulemaking. The OCC appreciates the Petitioner's comments. The OCC will continue to engage with policymakers, community groups, and other stakeholders on these issues, as appropriate, in a manner consistent with the OCC's statutory mandates.

Sincerely,

/s/

Adam J. Cohen

Senior Deputy Comptroller and Chief Counsel