

**Status of Issues**

**Mutual Savings Association Advisory Committee**

Date of Meeting	Issue	Action Requested	Status
January 16, 2013	Availability of peer data for mutuals	Members want to see comparative analysis against mutual peers: NIM and CAMELS	FFIEC and OCC offer Comparative Tools, OCC also uses internal tool bankers may request through their EIC. This issue was highlighted at several meetings
	Merger conversions	Revisit \$25M assets threshold for waivers when a standard conversion is not a good option.	OCC has reviewed the rules and guidance issued by OTS and has stated that it is still in effect, including the threshold for merger conversions. This was reiterated as recently as 2015.
	Availability of statistics of upgrades/downgrades on composite ratings.	Explore ways to provide general information.	Aggregate data is part of the Financial Trend Report prepared for the committee and made available on the website
	Areas committee would like to explore: Uniqueness of mutual charter, hostile depositor situations, and alternative capital instruments/mutual investment certificates.	Discussion of topics of interest to the Committee members	Each of these topics has been discussed at Committee meetings. See the separate chart on Mutual Capital Certificates.
June 17, 2013	Discussion of possible revisions to the guidance on mutuals to be issued by the OCC	Members suggested that the guidance should address the community focus of the mutual model	The guidance focuses on risk based supervision of mutuals. Where appropriate, OCC's "mastering the basics" will include a focus on mutuals.

May 9, 2017

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April 24, 2014	Discussion of the use of collaborative arrangements for specific tasks, including back office administrative responsibilities, compliance and other areas	Guidance requested	White paper issued in 2015 to promote collaboration. The Comptroller and Senior OCC officials routinely discuss collaboration in speeches and outreach activities. OCC has also updated its third party guidance and now has an Office of Innovation as a resource to vet collaborative arrangements.
	Discussion of compensation, including phantom stock plans. Request guidance on what is "excessive"	Guidance requested	Guidance issued in 2014 addresses phantom stock plans and other compensation issues for mutuals. 2010 Interagency Guidance and rulemaking to implement Dodd Frank section 956 addresses "excessive"
April 28, 2015	Peer to peer tool	Request peer data	OCC has comparative tools that it can provide upon request.
November 18, 2015	Incentive compensation plans	Request information to develop compensation plans	Guidance issued in 2014 on compensation at mutuals. Implementation of Dodd Frank section 965 under review.
	Interest rate risk metrics	Request data used to measure interest rate risk be added to the Call Report. (Similar to data required by the former OTS)	There is not interagency support for adding data collection to the Call Report. 2016 release of revised Call Report reduces line items.
May 3, 2016	Earnings	Request additional guidance for examiners on earnings of mutuals	Guidance issued in 2014 highlights earnings of mutuals. In November 2016, OCC amended its internal Supervisory Information System to reference the 2014 guidance on earnings and capital and ensure examiners followed the guidance.

May 9, 2017

Date of Meeting	Issue	Action Requested	Status
December 8, 2016	See below - Mutual Capital Instruments and Charter Flexibility		

Mutual Capital Certificate Discussion and Proposals

Date of discussion or proposal	Issue	OCC Response	Disposition
January 16, 2013	Committee members inquired about a proposal for mutual investment certificates submitted by a third party as an alternative method of raising capital. The availability of an alternative capital instrument also was mentioned in the Roundtable discussion.	OCC staff would review the proposal	The proposal did not meet the requirements for Tier 1 Common Equity Capital treatment.
January 16, 2013	Letter to the committee described a legislative proposal introduced by Congressman Grimm. The provision was part of a mutual national bank proposal that included several items related to mutuals.	OCC staff would review the legislative text	The bill was not supported by the OCC. It was not enacted.
June 17, 2013	In a discussion of proposed guidance for mutuals, committee members mentioned the need for alternative sources of capital other than retained earnings	OCC staff discussed mutual capital certificates in the context of the revised capital rules	The guidance issued refers to the statutory and regulatory provisions regarding mutual capital certificates and notes that capital certificates must meet the qualifying criteria of the new

May 9, 2017

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			capital rules to be treated as tier 1 capital.
April 29, 2014	In a discussion about similar legislative initiatives introduced by Congressman Grimm in the 113 <sup>th</sup> Congress and Congressman Rothfus in the 114 <sup>th</sup> Congress, committee members urged the OCC to look at the capital instrument provisions.	OCC did not support either bill as each contained provisions with which the agency did not agree. Staff reiterated that any capital instrument must meet the qualifying criteria of the new capital rules and OCC does not support provisions that require a different capital treatment.	The legislation was not enacted.
July 23, 2014	A committee member brought up mutual capital certificates in the Roundtable discussion.	OCC staff will review proposals for mutual capital certificates as they are presented.	No specific proposal was presented
November 18, 2014	Congressman Rothfus participated in the committee meeting and discussed his legislation (the Mutual Bank Choice and Continuity Act of 2014). He noted that the bill included a provision on mutual capital certificates.	Several committee members replied that they would like to have the option of raising capital through the issuance of mutual capital certificates in the future but it is not necessary now.	The Mutual Bank Choice and Continuity Act of 2014 was not enacted.
November 18, 2014	Discussion with OCC staff about additional features to include in the proposal to provide flexibility of FSAs. Committee members asked about the inclusion of a capital certificate provision	The Comptroller told the committee members that the OCC did not support inclusion of a provision for mutual capital certificates that was similar to the provisions introduced in the past	The OCC proposal does not include a provision for mutual capital certificates
From April 28, 2015 to	Capital concerns for mutuals was part of the Roundtable discussion	OCC staff reviewed the proposal for mutual capital certificates presented	The terms of the proposed instrument met criteria for

May 9, 2017

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December 8, 2016	several times. Members described a proposal for mutual capital certificates that had been sent to the OCC for review.	to staff in the summer of 2015 and provided comments.	additional Tier 1 capital, not common equity tier 1. OCC staff provided several rounds of comments
November 18, 2015	OCC staff updated the committee on a legislative proposal that would include mutual capital certificates in common equity tier 1 (HR 1661)	OCC staff reiterated the agency's position on the legislation	The legislation was not enacted

Charter Flexibility

Date Discussed	Issue	OCC Response	Disposition
June 17, 2013	OCC staff asked the committee members what was driving recent conversions to state charter. Comptroller Curry asked the relevance of the QTL today. He asked how important commercial lending is to mutuals.	Staff gathering information and reviewing legislative proposals	Development of OCC proposal for federal savings association charter flexibility
April 29, 2014	In a discussion about similar legislative initiatives introduced by Congressman Grimm in the 113 <sup>th</sup> Congress and Congressman Rothfus in the 114 <sup>th</sup> Congress, committee members urged the OCC to look at the mutual national bank and mutual holding company provisions.	The OCC does not support the creation of a mutual national bank.	The proposed legislation was not enacted.
November 18, 2014	Congressman Rothfus attended the committee meeting and members provided feedback on the bill introduced by the	OCC developed a narrower proposal that would provide flexibility for all federal savings	Legislation sponsored by Congressman Rothfus was introduced in the 114 <sup>th</sup> Congress

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	Congressman - the Mutual Bank Choice and Continuity Act of 2014. The Committee members were supportive of legislation that offers flexibility for mutuals.	associations that would not require them to convert to a commercial bank charter.	as HR 1660. The bill was based on the OCC proposal.
November 18, 2014	OCC staff presented a proposal for federal savings association charter flexibility	OCC staff described the proposal and asked committee members for input on a number of features of the proposal	Legislation sponsored by Congressman Rothfus was introduced in the 114 <sup>th</sup> Congress as HR 1660. The bill was based on the OCC proposal.
April 28, 2015	OCC staff updated the committee members on the status of the Federal Savings Association Charter Flexibility Act introduced by Congressmen Rothfus and Himes.	OCC responded to questions about the bill. OCC staff updated the members on the progress in the House and prospects for introduction in the Senate.	HR 1660 was voted out of the House Financial Services Committee by a voice vote and a companion bill was introduced in the Senate by Senators Heitkamp and Moran.
November 18, 2015	OCC staff updated the committee members on the progress of the FSA Charter Flexibility Act – HR 1660.	The bill had passed out of the Housing Financial Services Committee by voice vote.	The bill was not voted on by the full House.
August 3, 2016	The status of the FSA Charter Flexibility Act was discussed.	OCC staff updated the committee	HR 1660 was not enacted in the 114 <sup>th</sup> Congress.
December 8, 2016	The importance of the charter was discussed as part of the Roundtable	OCC staff confirmed that the agency would support the legislation if introduced in the next Congress.	The bill was introduced in the 115 <sup>th</sup> Congress as HR 1426 and S.567