



Further Reviews of Former OTS Policies

The OCC is starting a comprehensive rulemaking review to better integrate, when possible, those rules transferred from OTS with OCC rules applicable to national banks. The goal is to produce a consistent supervisory approach and a better integrated policy platform for national banks and federal savings associations, while recognizing differences anchored in statute.

The OCC has indicated its commitment to evaluating former OTS guidance thoughtfully during the review process, to addressing common supervisory issues consistently, and to accommodating regulatory and statutory differences appropriately. [See link here.](#)

ABA Meets With Federal Reserve Board Staff, Files Comment Letter On Regulations LL and MM

ABA has spearheaded two meetings with Federal Reserve Board staff members to discuss both technical and overarching issues related to migrating authorities from the Office of Thrift Supervision to the Federal Reserve as required by the Dodd-Frank Act.

ABA also filed comment letters with the Fed on its interim final rule creating Regulations LL (SLHCs) and MM (MHCs), transferring the supervisory and regulatory authority from OTS to the Board. ABA's MHC comment letter followed a presentation to Board staff that encouraged the Board to write rules that fostered the whole mutual industry, including potential new members from the credit union ranks. ABA's comment letter, like those of the MHCs who filed their own letters, focused on the difficulties presented by the member voting requirements and the twists and turns Regulation MM demands -- at great expense with little or no benefit. It highlighted the enormous potential for depositor confusion surrounding the mandated vote of the majority of the members on dividend waivers.

Regulation MM sets up the impossible task of trying to explain to depositors that they must vote annually on a dividend that he or she will never receive -- even if the dividend is not waived. The comment letter also addressed the perceived conflicts of interest presented by dividend waivers and supports the Board being able to address any alleged insider benefit by using common corporate techniques and standards of fairness.

Click here for [Comment Letter](#). Click here for [ABA's primer on Mutual Savings Banks](#)

OCC Forms Mutual Savings Association Advisory Committee, Seeks Nominations

A year ago OCC responded affirmatively to ABA requests that a mutual institutions advisory committee be established after the transfer date to integrate OTS into OCC. True to its commitment, OCC has

announced the formation of the Mutual Savings Association Advisory Committee, replacing the body formerly administered by OTS. ABA worked closely with OCC leadership on ensuring the formation of this advisory group so OCC could hear first-hand the concerns of mutual bankers and the issues they confront. Those interested in nominations to serve on the committee may contact ABA's Alex Maroulis-Cronmiller, VP, Council & Committee Management, at Acronmil@aba.com for further information.

Here is the [Federal Register link](#).

Mutual Institutions Council Met During ABA's 2011 Convention

ABA's Mutual Institutions Council met in San Antonio during ABA's Annual Convention. Both OCC and FDIC representatives addressed the group.

Jennifer Kelly, OCC Senior Deputy Comptroller for Mid-Size/Community Banks, Tim Ward, OCC Deputy Comptroller & Senior Advisor for Mid-Size/Community Banks, and Chris Spoth, FDIC Senior Deputy Director of Supervision, attended.

Kelly said that the OCC now supervises 640 thrifts, 220 of which are mutuals. She also noted that the status of the integration of former OTS employees and thrifts into the OCC system was on target and that with just three months into the program, the blended exam teams seem to be working effectively. FDIC's Spoth said that more than 60 thrifts came over from the OTS, 72% of which are mutual.

OCC and FDIC representatives stressed that the two agencies were doing everything in their power to achieve a smooth transition. They talked about their outreach initiatives and felt that the feedback so far was positive among bankers nationwide. They also stressed that they wanted to communicate openly and honestly with the bankers and wanted to hear from them at any time.

Kelly noted that the mutual advisory group formerly with the OTS was now being launched by the OCC and that they would be soliciting members for this group shortly.

Council members also met with Rich Schaberg, a partner with Hogan Lovells, who discussed corporate governance issues for mutuals.

Also, current ABA Mutual Institutions Council Chairman Maggie Smith (then vice chairman) recognized outgoing Chairman Stan Jenks, who stepped down after this meeting to join ABA's board of directors, and praised him for his tireless dedication to our Council.

Convention Session on "Life After OTS"

In addition to the meeting with the Mutual Institutions Council, OCC Senior Deputy Comptroller Jennifer Kelly appeared on a one hour concurrent panel with two mutual bankers -- Marty Connors, president and CEO of Rollstone Bank & Trust in Fitchburg, Mass., and Steve Swiontek, President and CEO, Gate City Bank, Fargo, N.D. Both reported positive encounters with the OCC.

Swiontek was one of the first bankers in the nation to undergo an exam by the OCC and said there was not much difference between that and his old exams with the OTS, and everything went smoothly.

Connors was on a recent conference call with the OCC regarding key issues and did note that while the OCC staff member was extremely knowledgeable and professional, the staffer did mention a contingent capital planning consideration that was not consistent with the mutual model. Kelly said she would definitely make a note of that and strive to do better. Both men said that bankers need to reach out to regulators often, and not only when there is trouble, but during normal times as well. A good relationship is a two way street, they declared.

ABA Leadership Breakfasts

ABA held two Leadership Breakfasts during the San Antonio convention. OCC's Kelly and Ward, Bert Otto, Deputy Comptroller for the Central District, and Greg Golembe, Director for Banking Relations, attended. From the FDIC, Chris Spoth and Sandra Thompson, Director of the Division of Supervision and Consumer Protection, also attended, as did CFPB's Bart Shapiro, Senior Advisor for the Office of Community Banks and Credit Unions at the Consumer Financial Protection Bureau.

The bankers discussed Dodd-Frank implementation issues and the resulting regulatory burden which has been creating havoc for bankers nationwide. The bankers stressed that all the costs could still not be determined from the additional Dodd-Frank rules and regs and therefore small businesses were afraid to expand. CFPB's Shapiro stressed that the bureau was still in its early stages but was listening to all concerns and would not be above doing something about it. Sandra Thompson also urged the group to let the FDIC know of any exam issues of concern and she stressed the importance of communication and working together.

Curry Speaks at ABA's GR Leadership Luncheon

FDIC Director and nominee for Comptroller of the Currency Tom Curry spoke to the Government Relations Leadership Luncheon. Curry is very familiar with mutual banks, having served five Massachusetts governors as the Commonwealth's Commissioner of Banks. He commented on his experiences with the large number of state-chartered mutual banks in Massachusetts, as well as nationwide at the FDIC, where he has served since 2004.

IN CASE YOU MISSED IT . . .

Materials and Audio Recordings of the Past Two OCC Web Conferences and Telephone Seminars—For Thrifts

Here are links to the past two OCC telephone seminars for thrifts with materials:

11/07/2011 Telephone Seminar: Supervisory Expectations for Interest Rate Risk Management
[Handouts](#) (PDF) | [Transcript](#) (PDF) | [Recording](#) (WMA)

10/13/2011 Telephone Seminar: Migration from the TFR to the Call Report; Allowances, Accounting, and Credit; and Other Supervision Topics

[Handouts](#) (PDF) | [Transcript](#) (PDF) | [Recording](#) (WMA)

2012 ABA Mutual Community Bank Conference, March 18-19, 2012

ABA's Mutual Community Bank Conference is the only national meeting dedicated solely to mutual institutions and is the largest annual meeting of its kind.

You will meet with fellow mutual bankers to assess the state of the economy, our industry and what it all means for mutuality.

Dodd-Frank was just the beginning. Next year—and in years to come—mutual bankers will be dealing with effectively managing their regulatory burden, changing market opportunities and new regulatory structures. Come to the largest mutual banker gathering and make a difference in policy matters. Some highlights will be:

- Federal and state regulator dialogue
- State of Regulatory Environment for Mutuals
- Mutual Community bank business models and performance
- General Examination trends and Experience
- Interest-rate risk management and regulatory requirements
- Enterprise risk management processes
- Corporate governance update
- Capital Planning for Mutuals
- Liquidity Planning
- Peer Groups

Following the Mutual Community Bank Conference, you are invited to stay for the Government Relations Summit on March 19-21. [Register now](#).

For more information on issues of interest to mutuals, contact ABA's [Bob Davis](#), [Dawn Causey](#) or [Alex Maroulis-Cronmiller](#) at 1-800-BANKERS.

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