



December 1, 2010 | Vol. 2, No. 6

OCC-OTS January-March Outreach Meetings

During the week of November 22, the Comptroller of the Currency mailed invitations to attend outreach meetings on OCC/OTS integration to the managing officers of all federal savings associations. Registration forms are to be returned to OCC via prepaid and addressed envelopes which were enclosed with the invitations. Questions by recipients of the invitations should be directed to Barbara Jennings at OCC at (202) 874-4707.

There will be 17 outreach meetings around the country beginning January 12 in Atlanta and ending on March 25 in Philadelphia. Other cities in which outreach meetings will be held are San Francisco, Covington (KY), New York (2 meetings), Chicago, Baltimore, Cleveland, Kansas City, Charlotte, Orlando, Indianapolis, Boston, Minneapolis, Denver, and Dallas. There will also be session with Federal Reserve staff for those interested in savings and loan holding company supervision transition issues.

2010 ABA Convention-- Mutual Institutions Council Meeting

The ABA Mutual Institutions Council met in Boston on Sunday, October 17 during ABA's Annual Convention. Both Acting Comptroller John Walsh and OTS Director John Bowman addressed the group as well as senior staff from OTS and OCC, including OCC Deputy Comptroller for Thrift Supervision Tim Ward and OTS Deputy Director Tom Barnes. Key staff of the FDIC and the Federal Reserve also met with the Council.

The OCC and the OTS representatives addressed agency integration issues, and stressed that the two were doing everything in their power to make the transition smooth. They dismissed rumors of disarray or conflict, and announced preliminary plans for 17 joint outreach sessions beginning in January and ending in March.

In addition, they stated that communication, planning and a well-considered structure were keys to a successful integration. They went on to say that even though OCC is nationwide regulator, all bank supervision is managed locally. After integration, OCC will supervise both national banks and federal savings associations, and examination staff will be integrated as well. Nevertheless, over the intermediate term the lead examiner for each regulated institution will be an examiner currently commissioned to examine national banks or federal savings associations, respectively.

The formal integration is scheduled to take place on July 21, 2011, and a report will be delivered to Congress in January on integration planning. Currently, the agencies are operating pilot examination programs with joint agency staff to help the agencies better understand differences in supervision and enforcement procedures.

The status of several other items was revealed during the meeting, including that:

- HOLA and related regulations remain intact for federal savings associations, including with respect to mutual governance and combinations. Any potential changes would be subject to notice and comment.
- The existing mutual institutions advisory committee at OTS will be maintained at OCC after integration.
- The TFR will remain in place until the integration. Afterward, any changes that might occur aimed at combining TFR and Call Report formats would be subject to notice and comment with the earliest possible effective date in 2012.
- The Qualified Thrift Lender test will maintain in place.

Following discussions with OCC and OTS, the Council met with FDIC and Federal Reserve staff. FDIC Boston Area Director Dan Frye stated that the FDIC is a strong proponent of mutual banks. He went on to say that mutuals have been performing better than many of their stock brethren. He mentioned that interest rate risk and capital remain as challenges in the current climate.

Federal Reserve Bank of Boston Manager for Regional and Community Examinations Ron Adams stated that the Fed is no stranger to mutual holding companies. He announced that Teresa Curren is the new manager of thrifts at the Fed and is working with all districts, especially Cleveland, Boston and Philadelphia. He mentioned that Fed holding company examinations generally follow similar formats as those required under HOLA. Holding companies over \$1 billion in assets receive a site visit every two years, with remote review in between. The focus is on risk management, liquidity, reputational issues, and the parent company's ability to serve as a source of strength of the subsidiary. The Fed's goal is also for a seamless transition.

The Council also discussed Dodd-Frank implementation issues and the likely trends in executive compensation requirements as presented by Rich Schaberg of HoganLovells.

Last but not least, current ABA Mutual Institutions Council Chairman Stan Jenks (then vice chairman) recognized outgoing Chairman Brian Lanigan, who stepped down after this meeting, and praised him for his tireless dedication to our Council.

Convention Session on OTS and OCC Integration

In addition to the meeting with the Mutual Institutions Council, Acting Comptroller John Walsh, Acting OTS Director John Bowman, as well as senior staff from OCC and OTS, conducted a one hour concurrent session on the status of the OCC/OTS integration process as part of the formal convention program. The audio link to this informative session can be accessed [here](#).

Register Now to Attend the 2011 ABA Mutual Community Bank Conference March 13-14, 2011

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

- Outlook from the Regulators
- Conditions & Prospects for Mutual Industry
- Business Strategies for Mutuals
- Managing Compliance Burden and Looking to Compete

Following the Mutual Community Bank Conference, you are invited to stay for the Government Relations Summit on March 15-16. 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. This email bulletin is a service of the American Bankers Association. ABA Members: To unsubscribe and to manage your subscriptions, please visit ABA E-Mail Bulletins and check or uncheck the appropriate boxes. Or send your request to ABA Mutual Exchange. For other inquiries, please contact ABA's Alex Maroulis-Cronmiller or 1-800 BANKERS. American Bankers Association, 1120 Conn. Ave NW, Wash. DC 20036