



Interpretive Letter #1180
March 2022

February 11, 2022

Board of Directors
Cenlar FSB
425 Phillips Blvd.
Ewing, NJ 08618

Subject: Application of 12 C.F.R. Part 30, Appendix D – Decision

Dear Members of the Board:

On December 3, 2021, the Office of the Comptroller of the Currency (“OCC”) notified you by letter that it was considering exercising its reservation of authority to apply 12 C.F.R. Part 30, Appendix D, OCC Guidelines Establishing Heightened Standards (“Guidelines”) to Cenlar FSB, Ewing, New Jersey (“Bank”). That letter described the OCC’s reservation of authority contained in the Guidelines and the applicable notice and response procedures in 12 C.F.R. § 3.404. The Guidelines provide that a covered institution should establish and adhere to a written risk governance framework to manage and control its risk-taking activities. The Guidelines also provide minimum standards for an institution’s board of directors to oversee the risk governance framework. In a letter dated December 31, 2021, to Deputy Comptroller Joel Denkert, the Bank responded that application of the Guidelines to the Bank is not appropriate at this time.

I am writing to inform you that the OCC has determined it will exercise its reservation of authority and apply the Guidelines to the Bank. This determination is based on information provided by the Supervisory Office concluding that the Bank’s operations are highly complex, including significant mortgage servicing activities, and present a heightened risk, including significant operational risk, that warrants application of the Guidelines to the Bank. The OCC expects the Bank to comply with the Guidelines by February 29, 2024.

If you have any questions about the information specified in this notice, please do not hesitate to contact William Russell, Assistant Deputy Comptroller, at (202) 230-0800.

Sincerely,

/s/ Michael J. Hsu

Michael J. Hsu
Acting Comptroller of the Currency

cc: William Russell (OCC)
Teri Landa (OCC)
Joel Denkert (OCC)