

# Office of the Comptroller of the Currency Mutual Savings Association Advisory Committee

## Membership Balance Plan

Pursuant to 41 CFR 102-3.30(c) and 41 CFR 102-3.60(b)(3), the Office of the Comptroller of the Currency (OCC) is providing this Membership Balance Plan for the Mutual Savings Association Advisory Committee (MSAAC) as part of the charter renewal plan. It describes how the OCC intends to maintain a fairly balanced membership for the MSAAC.

- (1) Name. The Office of the Comptroller of the Currency Mutual Savings Association Advisory Committee.
- (2) Authority. The MSAAC's charter has been prepared and filed in accordance with the provisions of the Federal Advisory Committee Act (FACA), 5 U.S.C. App. 2.
- (3) Mission/Function. The MSAAC's purpose is to provide advice and recommendations to the Department of Treasury and the OCC on meeting the goals of the Home Owners' Loan Act, 12 U.S.C. § 1461 *et seq.* The MSAAC advises the OCC regarding mutual savings associations on a means to provide for the organization, incorporation, examination, operation, and regulation of mutual savings associations. The work of the MSAAC includes a regular assessment of the condition of the federally chartered mutual savings association segment of the insured depository institution industry. The MSAAC provides advice about what regulatory or other changes the OCC may make to ensure the continued health and viability of mutual savings associations. The MSAAC also advises the OCC on other issues of concern to mutual savings associations.
- (4) Points of View.
  - (a) Subject Matter/Technical Expertise. The subject matter or technical expertise that is necessary to accomplish the tasks of the MSAAC includes an understanding of the organization and operations of mutual savings associations, in particular, and insured depository institutions generally. Expertise and familiarity with the unique corporate governance and financial operations of mutual savings associations is critical for the MSAAC's members. Experience as a senior management official of a mutual institution is important in obtaining this subject matter and technical expertise.
  - (b) Areas of Expertise. The members of the MSAAC should represent mutual savings associations of varying sizes and types of operations. Members should represent different segments of the mutual savings association industry.
  - (c) Service as Representative Members. Representative members of advisory committees are appointed specifically to provide the committee with the points of view of nongovernmental entities or a recognizable group of persons who have interests in

the subject matter under the committee's charge. In contrast, committee members designated as Special Government Employees (SGEs) are appointed to exercise their own individual best judgment on behalf of the Government.

A committee comprising representative members best serves the OCC's purposes and supplements the OCC's concerns as a regulator with the views and experiences of individuals working within the mutual savings association industry. This is because such representative individuals understand the organization of mutual savings associations and have expertise and familiarity with the unique corporate governance and financial operations of mutual savings associations.

The factors to be considered in making an employment status determination for advisory committee members include the express language of the advisory committee's enabling documents; whether the prospective committee member will receive compensation other than travel expenses for his or her services on the committee; whether the prospective committee member was selected through an appointment process that used outside recommendations; whether the prospective committee member will act as a spokesperson for a recognizable nongovernmental group or stakeholder; and whether the prospective committee member will be supervised by a federal government employee. After analyzing these factors, the OCC's Ethics Counsel has determined that each person who serves currently on the MSAAC is a representative member rather than an SGE. The OCC will review any new members using the same standard that it used for the previous members.

(5) Other Balance Factors. The other balance factors that the OCC has identified as important for the MSAAC's membership include geographic diversity, diversity in institution size, and diversity in the specific types of charter among the alternatives available to mutual institutions.

(6) Candidate Identification Process.

(a) Cross-section. The OCC will solicit nominations for members of the MSAAC by placing a notice in the *Federal Register*, by contacting national and state banking groups, and by contacting other groups interested in the continued operations of mutual savings associations. In response to this solicitation, the OCC expects to receive names from all sources. The OCC will submit up to 10 names. The submission will represent regional diversity. It will also represent diversity in operating and business strategies and will seek to include senior management from institutions that range from more traditional community lenders to institutions that provide more complex product offerings. The committee's members also may represent diversity of charter type, within the options available to mutual institutions, including mutual holding companies, representing those that have issued minority stock and those that have not.

Finally, the OCC will seek to ensure that the composition of the committee will mirror the size diversity of the industry segment. Of the mutual savings associations that the

OCC supervises, over 75 percent hold less than \$500 million in assets. Accordingly, to the extent possible, the OCC will seek to ensure that most nominations will be senior officers from mutual institutions with under \$500 million in assets and the remaining members will represent larger mutual institutions.

Finally, in reviewing the names submitted through the nomination process, the OCC will look for individuals who have experience in operating mutual institutions in different economic circumstances and who understand the needs of the communities being served.

(b) Agency staff involved. The review process for the membership of the MSAAC will be performed on behalf of the Comptroller by senior OCC officials including the Senior Deputy Comptroller for Midsize and Community Bank Supervision and the Deputy Comptroller for Thrift Supervision. In addition, staff from the OCC's supervisory offices will be consulted to ensure that the agency selects the best candidates from among the available pool. Future selections of MSAAC members will be made by senior management officials in Midsize and Community Bank Supervision and the OCC's supervisory offices.

(c) Vacancies. In the event of a vacancy, the OCC will determine whether to fill the vacancy depending on several factors including remaining time in the membership term and the diversity of the remaining membership. If the OCC determines to fill a vacancy, it will do so as promptly as possible, using a process to match as closely as possible the balance and diversity characteristics of the departing member.

(d) Term limits. Each member serves at the will of the OCC for a term of two years.

(7) Subcommittee Balance. The OCC may form subcommittees for any purpose consistent with the charter. Such subcommittees must report directly to the MSAAC parent committee and do not make recommendations directly to federal officials. Therefore, MSAAC subcommittees are not covered by FACA and are not subject to FACA's requirement that committees be "fairly balanced."

(8) Other. The OCC will take whatever other steps are necessary to ensure a balanced membership on the MSAAC.

(9) Date Prepared. This Membership Balance Plan was updated on May 13, 2022.