

**AGREEMENT BY AND BETWEEN  
Comerica Bank & Trust, National Association  
Ann Arbor, Michigan  
and  
The Office of the Comptroller of the Currency**

AA-NE-2024-39

Comerica Bank & Trust, National Association, Ann Arbor, Michigan (“Bank”) and the Office of the Comptroller of the Currency (“OCC”) wish to assure the safety and soundness of the Bank and its compliance with laws and regulations.

The Comptroller of the Currency (“Comptroller”) has found unsafe or unsound practices, including those relating to the Bank’s risk governance framework and internal controls;

Therefore, the OCC, through the duly authorized representative of the Comptroller, and the Bank, through its duly elected and acting Board of Directors (“Board”), hereby agree that the Bank shall operate at all times in compliance with the following:

**ARTICLE I**

**JURISDICTION**

- (1) The Bank is an “insured depository institution” as that term is defined in 12 U.S.C. § 1813(c)(2).
- (2) The Bank is a national banking association within the meaning of 12 U.S.C. § 1813(q)(1)(A), and is chartered and examined by the OCC. *See* 12 U.S.C. § 1 *et seq.*
- (3) The OCC is the “appropriate Federal banking agency” as that term is defined in 12 U.S.C. § 1813(q).

**ARTICLE II**

**COMPLIANCE COMMITTEE**

- (1) By May 15, 2024, the Board shall appoint a Compliance Committee of at least three (3) members of which a majority shall be directors who are not employees or officers of the

Bank or any of its subsidiaries or affiliates. The Board shall submit in writing to the Assistant Deputy Comptroller the names of the members of the Compliance Committee within ten (10) days of their appointment. In the event of a change of the membership, the Board shall submit in writing to the Assistant Deputy Comptroller within ten (10) days the name of any new or resigning committee member. The Compliance Committee shall monitor and oversee the Bank's compliance with the provisions of this Agreement. The Compliance Committee shall meet at least quarterly and maintain minutes of its meetings.

(2) By June 30, 2024, and thereafter within thirty (30) days after the end of each quarter, the Compliance Committee shall submit to the Board a written progress report setting forth in detail:

- (a) a description of the corrective actions needed to achieve compliance with each Article of this Agreement;
- (b) the specific corrective actions undertaken to comply with each Article of this Agreement; and
- (c) the results and status of the corrective actions.

(3) Upon receiving each written progress report, the Board shall forward a copy of the report, with any additional comments by the Board, to the Assistant Deputy Comptroller within ten (10) days of the first Board meeting following the Board's receipt of such report.

### **ARTICLE III**

#### **BOARD OVERSIGHT AND CORPORATE GOVERNANCE**

(1) By June 30, 2024, the Bank shall submit to the Assistant Deputy Comptroller for review and prior written determination of no supervisory objection an acceptable written program to provide the overall direction, oversight, and corporate governance of the Bank

(Board Oversight and Corporate Governance Program). Refer to the “Corporate and Risk Governance” booklet of the *Comptroller’s Handbook* for guidance.

(2) The Board Oversight and Corporate Governance Program shall, at a minimum, include:

- (a) an effective corporate governance structure for the Bank to ensure that the responsibilities of the Board and senior management are appropriately assigned and documented, that includes detailed written descriptions of:
  - (i) the Bank’s corporate governance and decision-making processes;
  - (ii) the Bank’s organization chart that clearly reflects areas of responsibility and lines of authority for all officers;
  - (iii) each officer’s role and responsibilities in the management of the Bank’s day-to-day affairs, separate and apart from any role and responsibilities the officer performs at any affiliate; and
  - (iv) proper lines of authority, reporting responsibilities, and delegation of duties for all officers;
- (b) procedures to ensure the Board receives and reviews sufficient Bank information from management (including scope, frequency and content) on the operation of the Bank to enable it to provide proper oversight and fulfill its fiduciary duties and other responsibilities under the law;
- (c) risk management (including audit) and compliance management systems suitable for the Bank’s size and activities;
- (d) procedures to ensure the Board monitors the Bank’s operations and performance;

- (e) procedures to ensure the Board holds management accountable for accurate and complete reporting to the Board;
- (f) procedures to ensure the Bank maintains adequate internal controls and assigned accountability to monitor and hold management accountable for adherence to Bank policies and procedures;
- (g) processes to ensure that management responds to audit, compliance, and regulatory criticisms with a written action plan that contains corrective actions to be taken, deadlines for taking the corrective action, and the individual(s) responsible for making the corrective action; and
- (h) procedures for the Board to periodically evaluate the size, composition, expertise, and independence of the Board, as well as individual Board member participation and contributions, with additions or other changes to the Board, as appropriate.

(3) Within thirty (30) days following receipt of the Assistant Deputy Comptroller's written determination of no supervisory objection to the Board Oversight and Corporate Governance Program or to any subsequent amendment to the Board Oversight and Corporate Governance Program, the Board shall immediately adopt, implement and thereafter monitor adherence to the Board Oversight and Corporate Governance Program. The Board shall review the effectiveness of the Board Oversight and Corporate Governance Program at least semiannually, and more frequently if necessary or if required by the OCC in writing, and amend the Board Oversight and Corporate Governance Program as needed or directed by the OCC. Any amendment to the Board Oversight and Corporate Governance Program must be submitted to the

Assistant Deputy Comptroller for review and prior written determination of no supervisory objection.

#### **ARTICLE IV**

##### **ASSET MANAGEMENT INTERNAL CONTROLS**

(1) By June 30, 2024, the Bank shall submit to the Assistant Deputy Comptroller for review and prior written determination of no supervisory objection an acceptable written plan to improve the Bank's asset management internal controls (Asset Management Internal Controls Plan).

- (2) The Asset Management Internal Controls Plan shall address at a minimum:
- (a) the implementation of sufficient controls to address self-identified risks and control gaps/weaknesses or, in cases where the Bank determines not to implement adequate controls, documentation of the Board's risk acceptance;
  - (b) controls to ensure compliance with 12 C.F.R. Part 9 and strengthen oversight of approved third-party investment managers;
  - (c) the identification of all manual processes the Bank utilizes in asset management financial reporting and account administration and solutions to eliminate and automate manual processes or, in cases where the Bank determines automation is not feasible, documented justification for maintaining manual processes;
  - (d) the establishment of policies, procedures, and practices covering the implementation of controls and solutions required in (a), (b), and (c) above;

- (e) a comprehensive assessment of staffing and technology investment required to achieve the actions required in (a) through (d) above, and to maintain manual processes in cases where the Bank determines automation is not feasible; and
- (f) the engagement of a qualified independent third party upon the Bank's completion of the requirements in (a) through (e) above to validate the Bank's actions and confirm they are effective and sustainable.

(3) Within thirty (30) days following receipt of the Assistant Deputy Comptroller's written determination of no supervisory objection to the Asset Management Internal Controls Plan or to any subsequent amendment to the plan, the Board shall adopt and Bank management, subject to Board review and ongoing monitoring, shall immediately implement and thereafter ensure adherence to the plan. The Board shall review the effectiveness of the plan at least monthly and more frequently if necessary or if required by the OCC in writing, and amend the plan as needed or directed by the OCC. Any amendment to the plan must be submitted to the Assistant Deputy Comptroller for review and prior written determination of no supervisory objection.

## **ARTICLE V**

### **DATA MANAGEMENT/MANAGEMENT INFORMATION SYSTEMS**

- (1) By June 30, 2024, the Bank shall submit to the Assistant Deputy Comptroller for review and prior written determination of no supervisory objection an acceptable written Data Management and Management Information Systems Plan. Refer to the "Asset Management Operations and Control" booklet of the *Comptroller's Handbook* for guidance.
- (2) The Data Management and Management Information Systems Plan shall address

at a minimum:

- (a) measures to ensure the Bank maintains management information systems that accurately capture and report all fiduciary transactions, including overdrafts;
- (b) quality control/review processes to ensure the Bank identifies, investigates, monitors, and resolves variances and errors in a timely manner;
- (c) the processing and delivery of account statements upon data error remediation;
- (d) policies, procedures, and practices covering the actions required in (a) through (c) above; and
- (e) the engagement of a qualified independent third party upon the Bank's completion of the requirements in (a) through (d) above to validate the Bank's actions and confirm they are effective and sustainable.

(3) Within thirty (30) days following receipt of the Assistant Deputy Comptroller's written determination of no supervisory objection to the Data Management and Management Information Systems Plan or to any subsequent amendment to the plan, the Board shall adopt and Bank management, subject to Board review and ongoing monitoring, shall immediately implement and thereafter ensure adherence to the plan. The Board, or a committee thereof, shall review the effectiveness of the plan at least monthly, and more frequently if necessary or if required by the OCC in writing, and amend the plan as needed or directed by the OCC. Any amendment to the plan must be submitted to the Assistant Deputy Comptroller for review and prior written determination of no supervisory objection.

## **ARTICLE VI**

### **FINANCIAL ACCOUNTING AND REPORTING**

(1) By June 30, 2024, the Bank shall submit to the Assistant Deputy Comptroller for review and prior written determination of no supervisory objection an acceptable written Financial Accounting Plan.

(2) The Financial Accounting Plan shall include at a minimum:

- (a) the establishment and maintenance of separate Bank general ledger accounts, including demand deposit and suspense accounts;
- (b) enhanced cash reconciliation controls and quality control processes to ensure the Bank identifies, investigates, monitors, and resolves variances and errors in a timely manner; and
- (c) the engagement of a qualified independent third party upon the Bank's completion of the requirements in (a) and (b) above to validate the Bank's actions and confirm they are effective and sustainable.

(3) Within thirty (30) days following receipt of the Assistant Deputy Comptroller's written determination of no supervisory objection to the Financial Accounting Plan or to any subsequent amendment to the plan, the Board shall adopt and Bank management, subject to Board review and ongoing monitoring, shall immediately implement and thereafter ensure adherence to the plan. The Board shall review the effectiveness of the plan at least quarterly, and more frequently if necessary or if required by the OCC in writing, and amend the plan as needed or directed by the OCC. Any amendment to the plan must be submitted to the Assistant Deputy Comptroller for review and prior written determination of no supervisory objection.

(4) By June 30, 2024, the Bank shall submit to the Assistant Deputy Comptroller for



review and prior written determination of no supervisory objection an acceptable written Financial Reporting Program.

- (5) The Financial Reporting Program shall include at a minimum:
  - (a) policies and procedures for the Bank's collection of financial data and preparation of regulatory reports;
  - (b) defined roles and responsibilities for regulatory reporting, including the preparation of regulatory reports, quality control reviews, and the escalation of identified regulatory reporting concerns;
  - (c) qualified staff responsible for regulatory reporting and overseeing the adequacy of reporting practices and adherence to established policies and procedures; and
  - (d) periodic training for regulatory reporting staff.

(6) Within thirty (30) days following receipt of the Assistant Deputy Comptroller's written determination of no supervisory objection to the Financial Reporting Program or to any subsequent amendment to the program, the Board shall adopt and Bank management, subject to Board review and ongoing monitoring, shall immediately implement and thereafter ensure adherence to the program. The Board shall review the effectiveness of the program at least quarterly, and more frequently if necessary or if required by the OCC in writing, and amend the program as needed or directed by the OCC. Any amendment to the program must be submitted to the Assistant Deputy Comptroller for review and prior written determination of no supervisory objection.

(7) Within thirty (30) days of the date of this Agreement, the Bank must engage a qualified independent third party to review the Bank's Consolidated Reports of Condition and

Income (Call Reports) filed for reporting periods beginning April 1, 2023, to identify and resolve any unexplained variances from the Call Report filed for the period beginning January 1, 2023. The Bank shall require the independent third party to provide its findings to the Board within sixty (60) days of engagement. The Board shall provide a copy of the findings, along with any Board comments, to the Assistant Deputy Comptroller within ten (10) days of the Board's receipt. The Board shall cause the Bank to file an amended and accurate Call Report for any reporting period determined to contain significant or material errors.

## **ARTICLE VII**

### **THIRD-PARTY RISK MANAGEMENT**

(1) By June 30, 2024, the Bank shall submit to the Assistant Deputy Comptroller for review and prior written determination of no supervisory objection an acceptable written program to effectively assess and manage the risks posed by third-party relationships (Third-Party Risk Management Program). Refer to OCC Bulletin 2023-17, "Third-Party Relationships: Interagency Guidance on Risk Management," for related safe and sound principles. The Third-Party Risk Management Program shall be commensurate with the level of risk and complexity of the Bank's third-party relationships and shall, at a minimum, address the following:

- (a) plans that outline the Bank's strategy for third-party relationships, identify the inherent risks of the activities performed by the third parties, and detail how the Bank selects, assesses, and oversees third parties;
- (b) proper due diligence in selecting third parties;
- (c) written contracts that outline the rights and responsibilities of all parties and that adequately document and protect the Bank's interests;
- (d) ongoing monitoring of third-party activities and performance, including

third-party adherence to service level standards;

- (e) contingency plans for terminating third-party relationships in an effective manner;
- (f) clear roles and responsibilities for overseeing and managing third-party relationships and risk management;
- (g) documentation (including an inventory of the Bank's third- and fourth-party service providers) and reporting that facilitates Board and management oversight, accountability, monitoring, and risk management associated with third-party relationships; and
- (h) independent reviews that allow Bank management to assess whether the Bank's risk management process aligns with its strategy and effectively manages risks associated with third-party relationships.

(2) Within thirty (30) days following receipt of the Assistant Deputy Comptroller's written determination of no supervisory objection to the Third-Party Risk Management Program or any subsequent amendment to the program, the Board shall adopt and Bank management, subject to Board review and ongoing monitoring, shall immediately implement and thereafter ensure adherence to the program. The Board shall review the effectiveness of the program at least quarterly, and more frequently if necessary or if required by the OCC in writing, and amend the program as needed or directed by the OCC. Any amendment to the program must be submitted to the Assistant Deputy Comptroller for review and prior written determination of no supervisory objection.

## **ARTICLE VIII**

### **INTERNAL AUDIT**

(1) By June 30, 2024, the Bank shall submit to the Assistant Deputy Comptroller for review and prior written determination of no supervisory objection an acceptable, independent, comprehensive, revised written internal audit program that adequately assesses controls and operations to allow the Board and management to understand the sufficiency of the Bank's internal controls system (Internal Audit Program).

(2) Management shall ensure the Internal Audit Program complies with the standards for internal audit systems set forth in Section II.B of the Interagency Guidelines Establishing Standards for Safety and Soundness, Appendix A to 12 C.F.R. Part 30. Refer to the "Internal and External Audits" booklet of the *Comptroller's Handbook* for related safe and sound principles. The Internal Audit Program shall incorporate standards of safety and soundness that are commensurate with the Bank's size, complexity, scope of activities, and risk profile and shall, at a minimum:

- (a) provide an objective, independent review and evaluation of the Bank's activities, internal controls, and management information systems;
- (b) require the development of an annual risk assessment of the Bank's auditable areas, with annual documented Audit Committee approval of the risk assessment;
- (c) require the development of an internal audit plan that is risk-based and provides adequate audit scope, coverage, and frequency for all areas of the Bank, with annual documented Audit Committee approval of the internal

audit plan and Audit Committee notification of any material variance from the plan;

- (d) address the use of third parties to complete any internal audit activities, including documented Audit Committee approval of selection and termination of third parties; refer to OCC Bulletin 2023-17, “Third-Party Relationships: Interagency Guidance on Risk Management,” for related safe and sound principles;
- (e) evaluate the reliability, adequacy, and effectiveness of the Bank’s internal controls system, whether operated by the Bank or a third party, and identify the root cause of identified deficiencies;
- (f) evaluate whether the Bank’s internal controls system results in prompt and accurate recording of transactions and proper safeguarding of assets;
- (g) determine whether the Bank complies with laws and regulations and adheres to its established policies, procedures, and processes;
- (h) require all internal audits to be supported through adequate transaction testing of Bank specific transactions, which includes documenting the transaction testing methodology, sample size, the accounts and names selected for testing, the documents reviewed as part of the testing, and the results of transaction testing;
- (i) require management to take appropriate and timely steps to address control deficiencies and audit report recommendations and report its validated progress to the Audit Committee on at least a quarterly basis and

require the Audit Committee to make a documented determination of whether the actions taken by management are satisfactory;

- (j) require all internal audit reports to be in writing, limited to audit findings specific to the Bank, and distributed to the Audit Committee in a timely manner after audit completion; and
- (k) require audit work papers and documentation that provides a meaningful audit trail and validation for audit findings, conclusions, and recommendations.

(3) The Board shall provide effective oversight of the Internal Audit Program, including:

- (a) verifying that management has adequately staffed the internal audit function, using internal resources and/or third parties, with respect to both the number of auditors required and their knowledge, skills, and experience;
- (b) verifying management's actions to address material weaknesses in a timely manner and, where appropriate, directing management to take additional action; and
- (c) verifying management satisfies all statutory, regulatory, and supervisory requirements.

(4) Within thirty (30) days following receipt of the Assistant Deputy Comptroller's written determination of no supervisory objection to the Internal Audit Program or to any subsequent amendment to the program, the Board shall adopt and Bank management, subject to Board review and ongoing monitoring, shall immediately implement and thereafter ensure

adherence to the program. The Board shall engage a qualified independent third party to validate the changes to the program to ensure they are effective. The Board shall review the effectiveness of the Internal Audit Program at least annually, and more frequently if necessary or if required by the OCC in writing, and amend the program as needed or directed by the OCC. Any amendment to the program must be submitted to the Assistant Deputy Comptroller for review and prior written determination of no supervisory objection.

## **ARTICLE IX**

### **INFORMATION TECHNOLOGY**

(1) By June 30, 2024, the Bank shall submit to the Assistant Deputy Comptroller for review and prior written determination of no supervisory objection an acceptable written program to mitigate information technology (IT) asset end-of life (EOL) risk (IT Asset EOL Program). Refer to the “Architecture, Infrastructure, and Operations” booklet of the Federal Financial Institutions Examination Council IT Handbook.

- (2) The IT Asset EOL Program shall include, at a minimum:
- (a) policies and procedures addressing EOL management for existing and new technology assets (hardware and software);
  - (b) a comprehensive risk assessment of systems and applications and identification of compensating controls needed to mitigate EOL risk;
  - (c) formalized plans to replace or upgrade EOL systems and applications;
  - (d) in cases where EOL systems or applications must remain in use, implementation of appropriate mitigating controls, which may include segregating the system or application from the network;
  - (e) exception and risk acceptance approval processes that require management

to obtain Board and/or appropriate committee approval to maintain EOL systems or applications on the network and for related upgrade or removal plans.

(3) Within thirty (30) days following receipt of the Assistant Deputy Comptroller's written determination of no supervisory objection to the IT Asset EOL Program, or to any subsequent amendment to the program, the Board shall adopt and Bank management, subject to Board review and ongoing monitoring, shall immediately implement and thereafter ensure adherence to the program. The Board shall review the effectiveness of the program at least annually, and more frequently if necessary or if required by the OCC in writing, and amend the program as needed or directed by the OCC. Any amendment to the program must be submitted to the Assistant Deputy Comptroller for review and prior written determination of no supervisory objection.

## **ARTICLE X**

### **GENERAL BOARD RESPONSIBILITIES**

(1) The Board shall ensure that the Bank has timely adopted and implemented all corrective actions required by this Agreement and shall verify that the Bank adheres to the corrective actions and they are effective in addressing the Bank's deficiencies that resulted in this Agreement.

(2) In each instance in which this Agreement imposes responsibilities upon the Board, it is intended to mean that the Board shall:

- (a) authorize, direct, and adopt corrective actions on behalf of the Bank as may be necessary to perform the obligations and undertakings imposed on the Board by this Agreement;



- (b) ensure that the Bank has sufficient processes, management, personnel, control systems, and corporate and risk governance to implement and adhere to all provisions of this Agreement;
- (c) require that Bank management and personnel have sufficient training and authority to execute their duties and responsibilities pertaining to or resulting from this Agreement;
- (d) hold Bank management and personnel accountable for executing their duties and responsibilities pertaining to or resulting from this Agreement;
- (e) require appropriate, adequate, and timely reporting to the Board by Bank management of corrective actions directed by the Board to be taken under the terms of this Agreement; and
- (f) address any noncompliance with corrective actions in a timely and appropriate manner.

## **ARTICLE XI**

### **OTHER PROVISIONS**

- (1) As a result of this Agreement, the Bank is not:
  - (a) precluded from being treated as an “eligible bank” for the purposes of 12 C.F.R. Part 5, unless the Bank fails to meet any of the requirements contained in subparagraphs (1) – (4) of 12 C.F.R. § 5.3, Definitions, *Eligible bank or eligible savings association*, or is otherwise informed in writing by the OCC;
  - (b) subject to the restrictions in 12 C.F.R. § 5.51 requiring prior notice to the OCC of changes in directors and senior executive officers or the

limitations on golden parachute payments set forth in 12 C.F.R. Part 359, unless the Bank is otherwise subject to such requirements pursuant to 12 C.F.R. § 5.51(c)(7)(i) and (iii); and

(c) precluded from being treated as an “eligible bank” for the purposes of 12 C.F.R. Part 24, unless the Bank fails to meet any of the requirements contained in 12 C.F.R. § 24.2(e)(1)-(3) or is otherwise informed in writing by the OCC.

(2) This Agreement supersedes all prior OCC communications issued pursuant to 12 C.F.R. §§ 5.3, 5.51(c)(7)(ii), and 24.2(e)(4).

## **ARTICLE XI**

### **CLOSING**

(1) This Agreement is intended to be, and shall be construed to be, a “written agreement” within the meaning of 12 U.S.C. § 1818, and expressly does not form, and may not be construed to form, a contract binding on the United States, the OCC, or any officer, employee, or agent of the OCC. Notwithstanding the absence of mutuality of obligation, or of consideration, or of a contract, the OCC may enforce any of the commitments or obligations herein undertaken by the Bank under its supervisory powers, including 12 U.S.C. § 1818(b)(1), and not as a matter of contract law. The Bank expressly acknowledges that neither the Bank nor the OCC has any intention to enter into a contract. The Bank also expressly acknowledges that no officer, employee, or agent of the OCC has statutory or other authority to bind the United States, the U.S. Treasury Department, the OCC, or any other federal bank regulatory agency or entity, or any officer, employee, or agent of any of those entities to a contract affecting the OCC’s exercise of its supervisory responsibilities.

(2) This Agreement is effective upon its issuance by the OCC, through the Comptroller's duly authorized representative. Except as otherwise expressly provided herein, all references to "days" in this Agreement shall mean calendar days and the computation of any period of time imposed by this Agreement shall not include the date of the act or event that commences the period of time.

(3) The provisions of this Agreement shall remain effective and enforceable except to the extent that, and until such time as, such provisions are amended, suspended, waived, or terminated in writing by the OCC, through the Comptroller's duly authorized representative. If the Bank seeks an extension, amendment, suspension, waiver, or termination of any provision of this Agreement, the Board or a Board-designee shall submit a written request to the Assistant Deputy Comptroller asking for the desired relief. Any request submitted pursuant to this paragraph shall include a statement setting forth in detail the special circumstances that warrant the desired relief or prevent the Bank from complying with the relevant provision(s) of the Agreement, and shall be accompanied by relevant supporting documentation. The OCC's decision concerning a request submitted pursuant to this paragraph, which will be communicated to the Board in writing, is final and not subject to further review.

(4) The Bank will not be deemed to be in compliance with this Agreement until it has adopted, implemented, and adhered to all of the corrective actions set forth in each Article of this Agreement; the corrective actions are effective in addressing the Bank's deficiencies; and the OCC has verified and validated the corrective actions. An assessment of the effectiveness of the corrective actions requires sufficient passage of time to demonstrate the sustained effectiveness of the corrective actions.

(5) Each citation, issuance, or guidance referenced in this Agreement includes any subsequent citation, issuance, or guidance that replaces, supersedes, amends, or revises the referenced cited citation, issuance, or guidance.

(6) No separate promise or inducement of any kind has been made by the OCC, or by its officers, employees, or agents, to cause or induce the Bank to enter into this Agreement.

(7) All reports, plans, or programs submitted to the OCC pursuant to this Agreement shall be forwarded, by overnight mail or via encrypted email, to the Assistant Deputy Comptroller, Midsize and Trust Bank Supervision *with a copy to:* the Bank's Portfolio Manager/Examiner-in- Charge.

(8) The terms of this Agreement, including this paragraph, are not subject to amendment or modification by any extraneous expression, prior agreements, or prior arrangements between the parties, whether oral or written.

IN TESTIMONY WHEREOF, the undersigned, authorized by the Comptroller as his duly authorized representative, has hereunto set his signature on behalf of the Comptroller.

//s// Digitally Signed, Dated: 2024.04.08

---

Michael F. Rea  
Assistant Deputy Comptroller  
Midsize and Trust Bank Supervision

