

RESCINDED

OCC Bulletin 2012-17| June 8, 2012

Replaced - See OCC 2021-38

Liquidity: Comptroller's Handbook Revisions and Rescissions

The Office of the Comptroller of the Currency (OCC) recently revised the "Liquidity" booklet of the *Comptroller's Handbook*, which replaces a similarly titled booklet issued in February 2001. This revised booklet provides updated guidance to examiners and bankers on assessing the quantity of liquidity risk exposure and the quality of liquidity risk management. The major revisions to this booklet include the following:

- Narrative more heavily focused on management of liquidity, including
 - emphasis on the importance of maintaining appropriate levels of highly liquid assets, and
 - enhanced discussion regarding the importance of a well-developed planning process for contingency funding.
- Additional guidance—particularly for those examiners responsible for examining large and internationally active banks—from the September 2008 "Principles for Sound Liquidity Risk Management and Supervision," issued by the Basel Committee on Bank Supervision and formally adopted by the OCC and other U.S. banking regulatory agencies.
- Addition of eight appendixes providing specific guidance to examiners and bankers on a variety of topics and examples of fundamental liquidity management reports.

In accordance with the OCC's supervision-by-risk approach, examiners will generally use the liquidity core examination procedures, which can be found in the 2010 "Community Bank Supervision" booklet and the 2010 "Large Bank Supervision" booklet in the *Comptroller's Handbook*. Examiners will supplement the procedures listed in these booklets, as appropriate, with the updated procedures detailed in the "Liquidity" booklet, for additional analysis of liquidity risk. With the issuance of this guidance, the following Office of Thrift Supervision guidance pertaining to liquidity risk is hereby rescinded:

- Examination Handbook: Liquidity
 - Section 510, "Funds Management" (and related program)
 - Section 530, "Liquidity Risk Management" (and related program and appendixes)
 - Section 560, "Deposits/Borrowed Funds" (and related program and questionnaire)
- Chief Executive Officer Memo #295, "Monitoring and Documenting the Use of Funds from Federal Financial Stability and Guaranty Programs"

The OCC's "Funds Management" booklet of the *Comptroller's Handbook* has also been rescinded, effective immediately. OCC Advisory Letter 2001-5, "Brokered and Rate-

To

Chief Executive Officers of All
National Banks and Federal
Savings Associations,
Department and Division Heads,
All Examining Personnel, and
Other Interested Parties

Sensitive Deposits,” has been rescinded, while the “Joint Agency Advisory on Brokered and Rate-Sensitive Deposits” has been incorporated into the “Liquidity” booklet as an appendix.

Further Information

You may direct questions or comments to the Market Risk Policy Division at (202) 649-6360.

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Related Link

- ["Liquidity" booklet of the *Comptroller's Handbook* \(PDF\)](#)

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