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Outdated - For more recent information, refer to
FFIEC website

Troubled Debt Restructurings: Guidance on Certain Issues Related to Troubled Debt Restructurings

To

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

Summary

The Office of the Comptroller of the Currency, the Board of Governors of the Federal Reserve System, and the
Federal Deposit Insurance Corporation (collectively, the agencies) have jointly issued the attached supervisory
guidance on certain issues related to commercial and residential real estate loans that have undergone troubled

debt restructurings (TDRs). This guidance applies to all national banks, federal savings associations, and federal branches and agencies of foreign banks (collectively, banks).

Highlights

This guidance reiterates key aspects of previously issued regulatory guidance and discusses the definition of collateral-dependent loans and the circumstances under which a charge-off is required for TDRs. The guidance also elaborates on the concept of “operation of collateral” for repayment. The agencies continue to view prudent modifications as positive actions when they mitigate credit risk, and will not criticize banks for engaging in prudent workout arrangements, even if the modified loans result in TDRs.

Note for Community Banks

This guidance is applicable to community banks.

Further Information

Any questions regarding the 2013 guidance should be directed to Joy Palmer, Senior Accounting Policy Advisor, Office of the Chief Accountant, at (415) 396-5892; or Lou Ann Francis, National Bank Examiner and Technical Expert, Credit Risk Policy Division, at (202) 649-6406 or (202) 649-6280.

Kathy Murphy

Deputy Comptroller and Chief Accountant

Darrin Benhart

Deputy Comptroller for Credit and Market Risk

Related Link

- [Interagency Supervisory Guidance Addressing Certain Issues Related to Troubled Debt Restructurings](#)

Topic(s): ■ ACCOUNTING ■ BANK OPERATIONS ■ COMMERCIAL CREDIT ■ CREDIT ■ RETAIL CREDIT

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