The Office of the Comptroller of the Currency (OCC) issued today the “Oil and Gas Production Lending” booklet, which is new to the Comptroller’s Handbook. This booklet provides guidance on oil and gas production lending, including an overview of oil and gas markets, lending structures, types of reserves, associated risks, and supervisory expectations for risk management.

Highlights

The “Oil and Gas Production Lending” booklet

- provides guidance to bankers and examiners in identifying risks that are pertinent to oil and gas production lending.
- establishes supervisory expectations pertaining to risk management of oil and gas production loans.
- includes expanded examination procedures, an internal control questionnaire, and verification procedures for examiners.

Note for Community Banks

The principles contained in this booklet apply to all national banks and federal savings associations engaged in oil and gas production lending. Community banks should consider the risks arising from this type of lending and the expectations regarding risk management.

With the issuance of this booklet, the following publications have been rescinded:


For further information, contact Grant Wilson, Director for Commercial Credit Risk, at (202) 649-6360.

John C. Lyons Jr.
Senior Deputy Comptroller and Chief National Bank Examiner
Related Link

- “Oil and Gas Production Lending” (PDF)