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Transmittal – See OCC 2020-11

OTS Integration: Final Rule - Interagency Rules

Summary

The Office of the Comptroller of the Currency (OCC) has issued a final rule that combines certain rules that the OCC originally issued jointly with the other federal banking agencies regarding national banks with rules that the former Office of Thrift Supervision (OTS) issued regarding savings associations.¹ Specifically, the OCC is combining rules relating to consumer protection in insurance sales, Bank Secrecy Act (BSA) compliance, management interlocks, appraisals, disclosure and reporting of agreements related to the Community Reinvestment Act (CRA), and the Fair Credit Reporting Act (FCRA). This final rule also makes technical amendments to the OCC's FCRA rule to conform to provisions of the Dodd-Frank Wall Street Reform and Consumer Protection Act.

Each pair of bank and savings association rules addressed in the final rule is substantively identical.² This final rule, therefore, does not result in any substantive changes for national banks or federal savings associations. The rule, however, streamlines OCC rules, reduces duplication, and creates efficiencies by establishing a single set of these rules for all entities that the OCC supervises.

This final rule is effective on June 16, 2014.

Highlights

The final rule integrates the following OCC rules by amending the national bank rule to include federal savings associations (and when appropriate, state savings associations) and removing the savings association rule:

- 12 CFR 14 and 12 CFR 136, which establish consumer protection rules for the sale of insurance or annuities to consumers.
- 12 CFR 21 and 12 CFR 163.177, which require the establishment and maintenance of procedures reasonably designed to assure and monitor compliance with BSA requirements and establish minimum requirements for BSA compliance programs.
- 12 CFR 26 and 12 CFR 196, which implement the requirements of the Depository Institution Management Interlocks Act.
- 12 CFR 34, subpart C, and 12 CFR 164, subpart A, which address financial transactions related to real estate that require the services of an appraiser.
- 12 CFR 35 and 12 CFR 133, which impose certain disclosure and reporting requirements with respect to certain CRA-related agreements entered into by an insured depository institution or its affiliate ("CRA sunshine").
- 12 CFR 41, subpart I, and 12 CFR 171, subpart I, which contain the OCC's rules regarding the disposal of records containing consumer information.

To

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

- 12 CFR 41, subpart J, and 12 CFR 171, subpart J, which contain the OCC's rules on identity theft red flags.

Note for Community Banks

The OCC rules integrated by this final rule apply to all national banks and federal savings associations, including community institutions. Part 21 also applies to all state savings associations, including community associations. This final rule does not result in any substantive changes to the rules that are being integrated. A redesignation table that indicates changes in the numbering of the rules is included in the preamble to the final rule and will be posted on www.occ.gov when the final rule takes effect. The OCC will update this table on its website as other integration rulemakings are finalized.

Background

With a few exceptions, the OCC currently has one set of rules applicable to national banks and another set applicable to federal savings associations or, when appropriate, to all savings associations. The OCC is reviewing its rules to determine whether it is appropriate to integrate them into a single set of rules for both national banks and savings associations when legally permissible and consistent with underlying statutes applicable to each type of institution. The key objectives of this review are to reduce regulatory duplication, promote fairness in supervision, eliminate unnecessary burden consistent with safety and soundness, and create efficiencies for national banks and savings associations as well as for the OCC.

Based on this review, the OCC plans to publish a series of rulemakings, each focused on a specific category or categories of bank and savings association regulations. This final rule is the first of these integration rulemakings. The OCC also will soon publish in the *Federal Register* a proposed rule that would integrate its rules for national banks and federal savings associations relating to policies and procedures for corporate activities and transactions (licensing rules).³

We note that the OCC is participating in an interagency review of regulations to identify rules that are outdated, unnecessary, or unduly burdensome, pursuant to section 2222 of the Economic Growth and Regulatory Paperwork Reduction Act of 1996 (EGRPRA). The OCC does not intend to publish further integration-specific proposals until the EGRPRA notice process has been completed, in an effort to minimize the potential for overlap and confusion and to afford the OCC the benefit of public comment through the EGRPRA process on potential ways to streamline rules and reduce regulatory burden. The OCC will continue, however, to evaluate whether to integrate rules as they are otherwise revised, as the agency has done since it assumed supervisory oversight of federal savings associations.

Further Information

Please contact Heidi M. Thomas, Special Counsel, or Stuart Feldstein, Director, Legislative and Regulatory Activities Division, (202) 649-5490.

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Related Link

- [Integration of National Bank and Savings Association Regulations: Interagency Rules](#)

¹ See 79 Fed. Reg. 28393 (May 16, 2014).

² All of these rules apply to federal savings associations. 12 CFR 21, as amended, applies to both state and federal savings associations, consistent with 12 CFR 163.177.

³ The OCC has posted this proposal at www.occ.gov/news-issuances/bulletins/2014/bulletin-2014-22.html.

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