

RESCINDED

OCC BULLETIN 2016-11

Subject: Economic Growth and Regulatory Paperwork Reduction Act of 1996 Amendments
Date: March 21, 2016

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

Transmittal: See OCC 2017-10

Description: Notice of Proposed Rulemaking

Summary

As part of its review under the Economic Growth and Regulatory Paperwork Reduction Act of 1996 (EGRPRA), the Office of the Comptroller of the Currency (OCC) issued on March 14, 2016, a notice of proposed rulemaking that would remove outdated or otherwise unnecessary provisions in certain rules to reduce regulatory burden on national banks and federal savings associations (FSA). The proposed rule also integrates the OCC's national bank and FSA rules relating to fidelity bonds, Securities Exchange Act of 1934 disclosures, securities offering disclosures, and insider and affiliate lending. While the OCC is conducting the EGRPRA review jointly with the Federal Deposit Insurance Corporation and the Board of Governors of the Federal Reserve System (the federal banking agencies), this proposal affects rules exclusive to the OCC and its supervision of national banks and FSAs. The proposed rule has a 60-day comment period, ending on May 13, 2016.

Note for Community Banks

The OCC rules proposed to be amended by this rulemaking apply to all national banks and FSAs.

Highlights

Amendments included in the proposed rule would

- exempt national banks from the prior approval, notification, and certification requirements for certain accounting-related changes to permanent capital.
- simplify certain business combinations involving mutually owned savings banks.
- clarify national bank director oath requirements.
- remove unnecessary requirements with respect to fidelity bond activities.
- revise certain fiduciary activity requirements for national banks and FSAs, including increasing the asset size limit for mini-funds.
- revise record-keeping and confirmation requirements for national banks' and FSAs' securities transactions to apply the less burdensome record-keeping requirements found in the national bank rule to FSAs, remove certain notice requirements, and permit a national bank to use a third-party service provider for record storage and maintenance.
- revise the OCC's rules for securities offerings and Securities Exchange Act reporting to remove unnecessary filings for national banks and FSAs and to provide additional exceptions for FSAs.
- provide for the electronic submission of filings required under the Securities Act of 1933 and the Securities Exchange Act.
- update rules relating to insider and affiliate transactions to implement section 608 of the Dodd–Frank Wall Street Reform and Consumer Protection Act.
- remove the requirement for FSAs to notify the OCC before establishing a transactional Web site.
- remove certain financial disclosure requirements for national banks.
- remove certain unnecessary regulatory reporting, auditing, accounting, and management policy rules for FSAs.
- integrate OCC rules for national banks and FSAs relating to fidelity bonds, Securities Exchange Act disclosures, securities offering disclosures, and insider lending.
- make other technical and clarifying changes.

Background

EGRPRA requires the federal banking agencies to review their rules every 10 years to identify outdated or otherwise unnecessary regulatory requirements imposed on insured depository institutions. As part of this review, since 2014, the agencies jointly have published four *Federal Register* notices seeking comment on 12 categories of rules. The agencies also have conducted six outreach meetings across the country, which solicited comment on the rules from bankers, consumer and community groups, and other interested parties. Rather than delaying proposed changes until the completion of the EGRPRA review at the end of the year, the OCC is seeking to reduce undue burden sooner where possible. To this end, this proposal reflects some of the EGRPRA comments the OCC has received to date. It also includes amendments to OCC rules derived from the OCC's most recent internal review of its rules to identify outdated or unnecessary provisions beyond those suggested by EGRPRA commenters.

This proposal complements other actions taken by the OCC, separately and with the other agencies, to further the EGRPRA mandate, including an OCC final rule issued last May that removed outdated or unnecessary licensing requirements;¹ the interagency effort to streamline call report requirements;² an interagency final rule that permits more qualifying community banks to be eligible for the 18-month examination cycle;³ and, most recently, interagency guidance on the evaluation process in the appraisal rules.⁴

The OCC is continuing to review EGRPRA comments and may consider additional changes to OCC rules as the EGRPRA review progresses.

Further Information

Please contact Heidi M. Thomas, Special Counsel, or Rima Kundnani, Attorney, Legislative and Regulatory Activities Division, at (202) 649-5490.

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Related Link

- ["Economic Growth and Regulatory Paperwork Reduction Act of 1996 Amendments" \(PDF\)](#)

¹ 80 Fed. Reg. 28346 (May 18, 2015).

² 80 Fed. Reg. 56539 (September 18, 2015).

³ 81 Fed. Reg. 10063 (February 29, 2016).

⁴ OCC Bulletin 2016-8, "Interagency Advisory on the Use of Evaluations in Real Estate-Related Financial Transactions" (March 4, 2016).

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