

OCC BULLETIN 2016-24

Subject: Civil Money Penalties

Date: July 1, 2016

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

Replaced – See OCC 2017-8.

Description: Interim Final Rule Adjusting Civil Money Penalties for Inflation

Summary

On July 1, 2016, the Office of the Comptroller of the Currency (OCC) published in the *Federal Register* the attached interim final rule amending its rules of practice and procedure for national banks (12 CFR 19) and federal savings associations (12 CFR 109) to adjust the maximum amount of each civil money penalty (CMP) within its jurisdiction, pursuant to the Federal Civil Penalties Inflation Adjustment Act Improvements Act of 2015 (2015 Act). Although the 2015 Act dictates the method by which the initial catch-up adjustment for each CMP must be calculated, the OCC is requesting comment on all aspects of the rule and specifically encourages commenters to identify any technical issues raised by the rule, including identifying any CMPs that may have been unintentionally omitted. The adjustments apply only to penalties assessed on or after August 1, 2016, the effective date of this rule.

Note for Community Banks

The OCC may exercise its discretion to impose inflation-adjusted maximum CMPs on any national bank or federal savings association, if appropriate.

Highlights

The interim final rule

- revises the charts that set forth the inflation-adjusted maximum CMPs with respect to national banks (12 CFR 19.240(a)) (national bank chart) and federal savings associations (12 CFR 109.103(c)) (federal savings association chart).
- adds to the national bank chart and federal savings association chart a new penalty (15 USC 1639e(k)) enacted in section 1472 of the Dodd-Frank Wall Street Reform and Consumer Protection Act. This section makes it unlawful for a creditor who extends credit or provides any services for a consumer credit transaction secured by the consumer's principal dwelling to engage in any act or practice that violates the regulation implementing the appraiser independence requirements.
- adds to the national bank chart an existing penalty (12 USC 481) that was not included in the chart.

- adds to the federal savings association chart three penalties (12 USC 1832(c), 12 USC 1972(2)(F), and 15 USC 78u-2(b)) that were not included on the initial list of penalties created by the former Office of Thrift Supervision.

Background

On November 2, 2015, Congress enacted the 2015 Act, which amends the Federal Civil Penalties Inflation Adjustment Act of 1990. The 2015 Act requires federal agencies with CMP authority to publish regulations to annually adjust each CMP authorized by law that the agency has jurisdiction to administer, in accordance with guidance published by the Office of Management and Budget. The purpose of these adjustments is to maintain the deterrent effect of CMPs and promote compliance with the law. The 2015 Act requires agencies to publish the initial adjustments no later than July 1, 2016, with an effective date no later than August 1, 2016. Subsequent adjustments must be published annually in the *Federal Register* no later than January 15 of each year, beginning on January 15, 2017. The OCC last updated and adjusted the maximum amount of CMPs applicable to national banks and federal savings associations in 2012.

Further Information

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Related Link

- [Rules of Practice and Procedure; Rules of Practice and Procedure in Adjudicatory Proceedings; Civil Money Penalty Inflation Adjustments \(Final\)](#)