

RESCINDED

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Other Real Estate Owned: Updated Comptroller's Handbook Booklet

Replaced - See OCC 2020-XX

Summary

The Office of the Comptroller of the Currency (OCC) today issued the updated¹ "Other Real Estate Owned" booklet of the *Comptroller's Handbook*, which provides guidance to examiners on banks' acquisition, reporting, management, and disposition of other real estate owned (OREO). The updated booklet includes accounting changes for foreclosed property under contract, in accordance with the Financial Accounting Standards Board's Accounting Standards Codification Subtopic 360-20, Subtopic 610-20, and Topic 606. Other updates were made to the booklet, as summarized in the "Highlights" section of this OCC Bulletin and in the "Table of Updates Since Publication" section of the OREO booklet.

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

Rescissions

The updated booklet replaces the booklet of the same title issued in September 2013. Also replaced is OCC Bulletin 2013-20, "Other Real Estate Owned: Comptroller's Handbook Revisions and Rescissions."

Note for Community Banks

This booklet applies to the OCC's supervision of all national banks, federal savings associations (FSA), and federal branches and agencies (collectively, banks).

Highlights

The updated booklet

- details changes to the accounting for sales of OREO by public business entities. The changes became effective for fiscal years beginning after December 15, 2017, including interim reporting periods within those fiscal years.
- details changes to the accounting for sales of OREO by non-public business entities. The changes become effective for fiscal years beginning after December 15, 2018, and interim reporting periods within fiscal years beginning after December 15, 2019.
- provides interim guidance on the OREO holding period for FSAs as a result of the integration of FSAs into 12 CFR 3.
- includes clarifications regarding supervisory guidance, sound risk management practices, and legal language
- clarifies the roles of the bank's board of directors and management.
- reflects the integration of FSAs into 12 CFR 7, subpart A, and 12 CFR 34, subpart C.

- references third-party risk management guidance issued since the booklet's last publication.

Further Information

Please contact the Commercial Credit Risk Policy Division at (202) 649-6670.

Grace E. Dailey

Senior Deputy Comptroller for Bank Supervision Policy and Chief National Bank Examiner

Related Links

- [“Other Real Estate Owned” \(PDF\)](#)

¹ Refer to the “Foreword” booklet of the *Comptroller's Handbook* for a description of the OCC's process for updating *Comptroller's Handbook* booklets.

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