

RESCINDED

Replaced - See OCC 2026-49

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Concentrations of Credit: Revised Comptroller's Handbook Booklet and Rescissions

Summary

The Office of the Comptroller of the Currency (OCC) issued today the revised "Concentrations of Credit" booklet of the *Comptroller's Handbook*, which is prepared for use by OCC examiners in connection with the examination and supervision of national banks, federal savings associations, and federal branches and agencies of foreign banking organizations (collectively, banks).

Refer to the "Foreword" booklet of the *Comptroller's Handbook* for more information regarding the OCC's process for revising and updating booklets.

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

Rescissions

The revised booklet replaces version 1.0 of the "Concentrations of Credit" booklet and rescinds OCC Bulletin 2011-48, "Credit Policy: Concentrations of Credit: Revised Booklet," which transmitted version 1.0 of the booklet in December 2011.

Note for Community Banks

The "Concentrations of Credit" booklet applies to the OCC's supervision of community banks.

Highlights

The revised booklet

- changes the supervisory calculation for credit concentration ratios for banks that have implemented the current expected credit loss (CECL) transition rule to avoid double counting the allowance for credit losses in the denominator.
- replaces the term "criticized" with "special mention" for consistency with Banking Bulletin (BB) 1993-35, "Interagency Definition of Special Mention Assets."
- reflects relevant OCC issuances published since this booklet was last issued.

- reflects changes to laws and regulations that occurred since this booklet was last issued.
- clarifies applicability of references to covered savings associations.
- includes clarifying edits regarding supervisory guidance, sound risk management practices, or legal language.
- revises certain content for general clarity.
- removes the NAICS code listing, as this information is readily available at www.census.gov.

Background

Concentrations are calculated as a percentage, using tier 1 capital plus either the allowance for loan and leases losses or the allowance for credit losses (ACL), as appropriate, as the denominator. For banks that have adopted the 2019 or 2020 CECL capital transition rule (refer to 12 CFR 3.301), a portion of the ACL may be included as a component of tier 1 capital for the years that the bank reported its regulatory capital ratios using the allowable capital relief provided by those rules. To eliminate potential double counting of the ACL in the denominator for purposes of measuring concentrations, the amount of the ACL included as a component of tier 1 capital during the period when a bank reported regulatory capital ratios using the 2019 or 2020 CECL capital transition rule should be subtracted from tier 1 capital. The amount to be subtracted from tier 1 capital is calculated as the difference between retained earnings on Schedule RC "Balance Sheet" (line 26a) and retained earnings on Schedule RC-R, part 1, "Regulatory Capital Components and Ratios" (line 2) of the Consolidated Reports of Condition and Income.

Further Information

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Related Link

- ["Concentrations of Credit"](#)

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