



## EXAMINING ISSUANCE

**RESCINDED**

Type: Examining Circular

Subject: SMS Documentation Policy

Any attachments to this document are rescinded only as they relate to national banks and federal savings associations.

TO: Department and Division Heads and All Examining and Legal Personnel

**PURPOSE**

This issuance establishes content, format and update requirements for documenting supervisory information in the Supervisory Monitoring System (SMS). It also explains how the supervisory cycle is documented in SMS.

**REFERENCES**

This issuance replaces SMS guidance contained in EB 87-1 (REV), which is hereby rescinded. This issuance should be read in conjunction with EC 258, OCC Supervision Policy.

**BACKGROUND**

SMS is an automated system OCC personnel use to record and communicate narrative and statistical information on institutions of supervisory interest to the OCC. It is the OCC's primary source of information about the supervisory strategy, current condition and compliance performance of each bank. OCC personnel document the scope, findings and conclusions of supervisory activities; commitments made by the institution; progress in implementing corrective actions; and OCC follow-up and monitoring of an institution in SMS.

All levels of OCC personnel and other federal bank regulators use SMS to review the condition of individual institutions or groups of institutions. The system documents the supervisory cycle (see EC 258) with concise summaries of an institution's supervisory profile and activities. SMS is not an electronic version of the working papers. Detailed supporting documentation should be maintained in working papers at appropriate duty locations.



# EXAMINING ISSUANCE

Comptroller of the Currency  
Administrator of National Banks

Type: Examining Circular

Subject: SMS Documentation Policy

## STANDARD FOR INFORMATION ENTRY IN SMS

This issuance details the information to be entered in SMS concerning institutions of supervisory interest to the OCC, including banks, holding companies, federal branches/agencies of foreign banks and independent data processing servicers. That information can relate to examination activities, legal questions, accounting options, corporate applications and enforcement actions.

All OCC personnel, including examiners, attorneys, accountants, and corporate analysts, must record **findings and conclusions** in SMS (or other systems accessible through SMS) when they are relevant to the supervision of an institution. Information must be complete, accurate and timely since it is used by all OCC personnel and other regulatory agencies. The attachment to this issuance details documentation requirements for SMS.

All OCC personnel must record **narrative information** in SMS to summarize findings and conclusions concerning institutions of supervisory interest to the OCC. Narratives should be concise and summary in nature. It is important to record all required information, but it is also important not to obscure that information with excessive detail. The risk posed by the institution generally dictates the volume of information that should be entered in SMS.

All OCC personnel must review and update **statistical information** in SMS while recording findings and conclusions material to the supervision of any institution of supervisory interest to the OCC. Portfolio managers are responsible for ensuring that statistical information in SMS on their assigned institutions is complete, accurate and timely.

No OCC office may require additional documentation in SMS that is inconsistent with this issuance or that applies to all banks supervised by that office. However, OCC offices may establish operating procedures regarding entry of information into SMS and may require additional pertinent information to be entered in SMS for individual banks, on an exception basis. Any such requirements established by OCC offices must not reduce users' ability to quickly find pertinent information.



# EXAMINING ISSUANCE

Comptroller of the Currency  
Administrator of National Banks

Type: Examining Circular

Subject: SMS Documentation Policy

## DOCUMENTING THE SUPERVISORY CYCLE IN SMS

The supervisory cycle begins with an assessment of risk areas in an institution. The portfolio manager then reviews and updates the institution's supervisory profile in the Overall Summary Comments (OSC) application of SMS. Throughout the supervisory cycle, the portfolio manager reviews and updates the Background, Condition and Strategy comments.

As an approved supervisory strategy is carried out, examination analyses to document the scope, findings, conclusions and follow-up of examinations. Analyses are opened for every examination, including periodic financial and other offsite reviews, performed during the institution's supervisory cycle. Ratings, loan classifications and violations of law are recorded in the Supervisory Data application. Whenever a Report of Examination is issued, it must be documented in the Tracking application.

All other supervisory activities are summarized in the Other Significant Events (OSE) application. Examples of activities recorded in OSE include board meetings, discussions with and examinations by other regulators, media coverage, chain bank reviews, Supervisory Review Committee decisions, operating plan exceptions, legal and accounting opinions, early warning reviews and correspondence from the institution, such as OREO, dividend and fixed asset requests. Any special supervision activities also are recorded in the Enforcement Actions application.

The supervisory cycle ends with the completion of all the activities necessary for a full scope, onsite examination as set out in the supervisory strategy (see EC 258). The portfolio manager concludes the supervisory cycle of an institution by recording a full scope, onsite examination type analysis in SMS. The portfolio manager also verifies that all required ratings, asset statistics and violations of law, where applicable, have been updated in the Supervisory Data record. When required by EC 258, the reviewing official verifies that a report of examination has been sent to the institution and a board meeting has been held before finalizing the analysis record.



# EXAMINING ISSUANCE

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## RESPONSIBLE OFFICE

For further information, contact Supervisory Information, Office of the Chief National Bank Examiner, (202) 874-5190.

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Acting Senior Deputy Comptroller  
Bank Supervision Policy

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## Related Links

- [SMS Documentation Requirements](#)

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# SMS Documentation Requirements

## Overall Summary Comments

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The Overall Summary Comments application must be updated whenever significant changes occur, or at least once during the supervisory cycle. The portfolio manager is responsible for ensuring that these comments are appropriately updated. The Overall Summary Comments application encompasses narratives for several different areas.

Background comments provide perspective for understanding an institution and the environment in which it operates. Information on the background of an institution should include a brief summary of the following:

- Economic and market environment.
- Ownership, affiliates, corporate structure, bid status and Section 914 status, including recent acquisitions and mergers.
- Significant activities, specialty areas, and/or business lines, including significant future plans.
- Corporate characteristics such as management style and banking philosophy (e.g., centralized versus decentralized control, liberal versus conservative approach, defined versus informal strategic plan, innovator versus follower, quality of management responses to prior supervisory concerns).
- Supervisory history, including significant ratings changes and enforcement actions (refer to other SMS applications for detail).
- Names of officers/directors (or a notation of where a list can be found).

**Condition** comments summarize the condition of an institution and indicate areas of risk that are of supervisory concern to the OCC. Any detailed discussions of ratings and deficiencies should be in the Analysis application, and should be referred to here. Information on the condition of an institution should include a brief summary of the following topics:

- The overall condition of the bank, including a notation of enforcement actions recommended or in place (refer to other SMS applications for detail).
- A synopsis of areas possessing greater than normal risk at the institution and affiliates, including the adequacy of commitments for corrective action (refer to applicable analyses for detail).
- Management's ability to resolve issues and manage the current level of risk, including likely affects of inaction.

**Strategy** comments record a specific plan for accomplishing stated supervisory objectives and operating plan requirements, including appropriate follow-up of supervisory concerns and special supervision. Institutions under continuous year-round examination (e.g., multinational and regional banks) should have a four-quarters rolling strategy; other institutions should have a strategy for the current supervisory cycle. Information on the supervisory strategy of an institution should include a brief summary of the following:

- Supervisory objectives, including OCC follow-up on previously identified weaknesses or concerns.
- Plan of activities to accomplish stated objectives and operating plan requirements, including:
  - Timing and location,
  - Nature/scope/depth of review by work program or target,
  - Resources, and
  - Planned communications.

**Status** comments are not required by national standards. Individual OCC offices may establish information to be entered as status comments. Before establishing such requirements, however, those offices must inform the Chief National Bank Examiner's Office.

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# SMS Documentation Requirements

## Overall Summary Comments

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**Format:** Comments should be succinct and summary in nature. Comments may refer to other SMS applications for detailed facts or support. Information must be presented in the order indicated above, whether the paragraph or bullet point style is used.

Each narrative comment must be acknowledged at the end with the name of the author, the approving official, and the approval date. Comments must be archived after approval to preserve the supervisory record.

Additions can be made below approved text after a narrative comment has been archived. Any such additions, however, must be acknowledged at the end of the comment with the name of the author and the entry date. Significant additions, like comments, should be archived.

When changes are made directly to approved text, the name of the author, the approving official, and the approval date must be changed to reflect the individuals making and approving the changes, and the comment must be archived.

Narrative comments concerning **multi-bank holding companies** must be entered in the holding company record. Supporting comments, including information on bank subsidiaries, must be entered in the individual lead and non-lead bank records. Non-lead bank records can refer to the lead bank comments, where appropriate.

Narrative comments concerning headquarters and individually examined branches of **independent EDP sericers**, must be entered in the same manner as holding company comments.

Narrative comments concerning **chain groups** must be entered in the lead national bank record.

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# SMS Documentation Requirements

## Analysis

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The Analysis application must be used to open an analysis whenever:

- an examination, including a periodic financial or other offsite review, is conducted,
- ratings, asset statistics, or violations are determined,
- a report of examination will be sent to the institution and reviewed with the board of directors, or
- examination follow-up activity is required.

If more than one Exam Type (see below) is conducted at the same time, an analysis should be opened for each.

**STATISTICAL DATA** in the Analysis application indicates the type of examination performed, critical dates connected with the activity, any written and oral communications delivered to the institution, and any change in the bank's hierarchy of risk. Examinations are documented in the Analysis application by the following statistical data:

**Exam Description** is a summary of the examination scope. This field relates to the Exam Type (see below).

For a standardized Exam Type (values of 1 to 10), the Exam Description is the text corresponding to that standard type (e.g., 1 would be Full Scope, Onsite).

For Exam Type 99, Other Examination, the Exam Description is a word or phrase (e.g., Capital, Investments, Earnings, ALLL, Quarterly Review, etc.) that describes the scope of the examination.

**Due Date** is the date the examination is expected to be closed (compare this to the definition of Exam Close Date) as established by district operating procedures.

For Exam Type 75, Examination Follow-up, the Due Date is the due date of the next bank commitment.

**Exam Start Date** is the date the examination activity commenced, that is, the date examiners began work in the bank or began reviewing data for the examination.

**Exam as of Date** is the date of the financial data used for the examination activity or the ending date of the period reviewed.

**Exam Type** is a code that indicates the type of examination performed.

Use Exam Types 1 through 10 for bank examinations only. For holding companies use only Exam Types 75 and 99. For independent EDP servicers use only Exam Types 9, 75, and 99.

**1 = Full Scope, Onsite Examination** - Use this exam type to close out the supervisory cycle when all the activities necessary for a full scope, onsite examination (as defined in EC 258) are completed as set out in the supervisory strategy.

To finalize an analysis with this exam type, the supervisor must determine whether the supervisory strategy, including operating plan requirements, have been completed; composite and CAMEL ratings have been updated (changed or confirmed as outlined in EC 258); and appropriate asset statistics (e.g., loan coverae) have been entered.

In addition, the supervisor must verify that ROE to Bank = Y and Date Board Meeting Held = a valid date when a report of examination is sent to the bank and a board meeting is held.

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# SMS Documentation Requirements

## Analysis

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An analysis with Exam Type = 1 can be finalized with ROE to Bank = N and Date Board Meeting Held = blank when policy does not require a report of examination or a board meeting (e.g., non-lead subsidiaries of multi-bank holding companies).

**2 = Compliance Examination** - Use this exam type when all applicable requirements of the compliance program (see EC 258) have been completed and a single compliance report of examination will be sent to the bank. Additional analyses with Exam Types 5, 7 and 8 must be opened as applicable to count those activities, but the Exam Type = 2 analysis can be used to record consolidated comments. Appropriate references must be made in the other analyses.

**Note:** When several compliance reports of examination will be sent to the bank (e.g., regional banks) or if the length of time to complete the compliance program is substantial, each program area should be recorded in a separate analysis with the appropriate Exam Type 3 through 8.

**3 = Consumer Activities Examination \***

**4 = CRA Examination \***

**5 = Fiduciary Activities Examination** - Use this exam type when all applicable program requirements have been completed.

**6 = BSA Examination \***

**7 = Government Securities Examination** - Use this exam type when all applicable program requirements have been completed.

**8 = Municipal Securities Examination** - Use this exam type when all applicable program requirements have been completed.

**9 = EDP Examination** - Use this exam type for banks when activities sufficient to change or confirm all EDP ratings have been completed. Use this Exam Type for nonbanks when OCC-led activities meet all FFIEC data processing servicer program requirements.

**10 = Transfer Agent Activities Examination** - Use this exam type when procedures are performed to evaluate compliance with rules for registered transfer agents pursuant to 17 CFR 240.17Ad 1-15.

**75 = Examination Follow-up** - Use this exam type when documenting follow-up on any OCC examination activity.

**99 = Other Examination** - Use this exam type for a limited scope examination that does not meet all applicable program requirements. When using this exam type, the Exam Description further indicates the scope of examination. Several Exam Type 99 limited scope examinations can culminate in a summary or program examination when all requirements have been met.

\* Use this exam type only when procedures performed meet all the applicable requirements for that section of the compliance program as indicated in the *Comptroller's Handbook for Compliance*. Do not open a separate analysis with this type code if the area is covered under an analysis recorded as Exam Type = 2.

**Level of Onsite Activity** is a code that indicates where the examination activity took place.

**1 = Completes onsite requirements** - This examination and/or previous examinations have completed the on-site requirements of the approved supervisory strategy, if any.

**2 = Onsite activity** - This examination has onsite activity.

**3 = No onsite activity** - This examination is conducted completely offsite.

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# SMS Documentation Requirements

## Analysis

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**ROE to Bank** is an indicator of whether the examination findings and conclusions recorded in this analysis will be reflected in a written communication to be sent to the bank. Possible entries in this field are N, for no, when a ROE will not be sent to the bank and Y, for yes, when a ROE will be sent. An entry of Y will also create a ROE tracking record in the Tracking application with the same Exam Start Date as the analysis.

When a single report of examination will be issued for examination activities covered by several analyses all with the same Exam Start Date, ROE to Bank must be the same for each analysis. The only exception is Exam Type 75, Examination Follow-up.

If more than one ROE will be sent to the bank (e.g., a safety and soundness and a compliance), the analysis for each report must have different Exam Start Dates to create the needed ROE tracking records.

**Total Workdays Expended** is the total number of OCC hours spent conducting this examination divided by 8, then rounded. This should not include time spent processing the report of examination by the field manager or analyst. Record workdays separately in each analysis with a different exam type. Do not record workdays in Exam Type 99 analyses opened because additional narrative lines were needed or where the workdays will be reported in other Exam Type 1 to 10 analyses.

**Change Hierarchy of Risk to** is an indicator of whether the bank's hierarchy of risk level (HOR) changes as a result of this examination activity. Possible entries in this field are N, for no, when the HOR will not be changed and Y, for yes, when the HOR will be changed. The new HOR will not be displayed in other parts of the system until the analysis is finalized. The hierarchy of risk is defined in Appendix A of EC 258. In addition to the values of 1 to 8 defined there, 0 is used for inactive institutions.

**Date Board Meeting Held** is the date any board meeting associated with this examination was held.

**Exam Close Date** is the date examination activity is complete and the Analysis comments are ready for review by the signing authority. The Overall Summary comments, ratings, asset statistics and violations records and the report of examination should also be ready for review at this time.

This date serves as the Close Date in the Scheduling and Tracking application since the Date Report Due In (from examiner) and Date Report Due Out (to bank) dates are calculated based on this date.

**Date of Final Supervisor's Review** is the date when all examination activities, including the Analysis, Overall Summary Comments, the ratings, asset statistics and violations records, the report of examination and the board meeting, if any, have been reviewed and approved.

**ANALYSIS COMMENTS** summarize the scope, findings, conclusions and follow-up of a specific examination. An analysis comment must also be entered for such activities as periodic financial and other offsite reviews. Deficiencies listed on the Matters Requiring Board Attention page in the report of examination, including management commitments for corrective action and examiner review and comment, should be entered into a type 75 analysis (Exam Follow-up).

Information on an examination should include a brief summary of the following topics:

- Scope of examination
- Reasons for changes in scope from strategy
- Findings and conclusions, including the reasons for recommended enforcement actions and ratings changes/confirmations, as applicable.

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## SMS Documentation Requirements

### Analysis

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When examinations require more than one analysis because the scope covers more than one type of activity (see description of Exam Type under STATISTICAL DATA, above), the associated narratives may be recorded in just one of the analyses, if appropriate references are incorporated in the other analyses.

Narratives are limited to 240 lines. If additional comments are needed, a new analysis must be opened. The new analysis must be recorded as Other Examination (Exam Type = 99), and the Exam Description must indicate that it is a continuation of the original analysis.

**Format:** Comments should be succinct and summary in nature. Comments should not have the same degree of detail found in working papers. Information must be presented in the order indicated above, whether the paragraph or bullet point style is used.

Analysis comments are written for the benefit of OCC management and personnel and other regulatory agencies. Although the report of examination is written for the benefit of the examined institution, portions of it may be appropriately included in SMS comments, if they fulfill OCC's minimum information requirements.

Narrative comments concerning **multi-bank holding companies** must be entered in the holding company record. Supporting comments, including information on bank subsidiaries, must be entered in the individual lead and non-lead bank records. Non-lead bank records can refer to the lead bank comments, where appropriate.

Narrative comments concerning headquarters and individual examined branches of **independent EDP servicers**, must be entered in the same manner as holding company comments.

Narrative comments concerning **chain groups** must be entered in the lead national bank record.

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# SMS Documentation Requirements

## Supervisory Data

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The Supervisory Data application must be updated whenever:

- an asset statistic is determined,
- violations are identified, or
- the customers of an EDP servicer change.

The Supervisory Data application includes information on ratings, asset statistics, violations of law, policy guide enforcement, and the customers of EDP servicers.

## Ratings

The Ratings record communicates the OCC's assessment of the condition of an institution and the functional areas within an institution (see EC 258). Ratings changes or confirmations must be supported by examination activities documented in the Analysis application. Ratings are documented in the Supervisory Data application by the following statistical data:

**Ratings Start Date** is the start date for the examination activity. Ratings Start Date must be the same as the Exam Start Date of the analysis documenting the examination in which the recommended ratings were determined.

When a new ratings record is started from an analysis record by using the PF5 key, the Exam Start Date will automatically be entered as the Ratings Start Date.

When a new ratings record is started from the SMS main menu by using the PF5 key, or the Ratings Start Date of an in-process ratings record is changed, the user must enter a Ratings Start Date that is the same as the Exam Start Date for an existing analysis.

**Approval Date** is the date the ratings are approved and the record is finalized. This date does not have to match the Date of Final Supervisor's Review in the associated analysis.

**Sample Bank** is an indicator of whether the ratings were changed or confirmed during an examination pursuant to the compliance program. In Consumer, CRA, and Trust ratings records enter Y, for yes, if the rating was updated or confirmed because the bank was selected as a sample compliance bank, or if it is a regional bank that is being examined for compliance under the every other year schedule.

**Lead Agency** is an indicator, in an EDP ratings record, of the appropriate regulatory agency. Possible entries in this field are OCC, NCUA, FED, FDIC, OTS, or a valid two-letter state abbreviation.

**Commercial Ratings** are the overall composite and five component (CAMEL) ratings, as defined by the Uniform Interagency Bank Rating System, found in Examining Circular 159 (REV).

**Consumer Rating** is the composite defined by the Uniform Interagency Consumer Compliance Rating System, found in section 504.500.1 of the *Comptroller's Handbook for Consumer Examinations*.

**CRA Ratings** are the composite and five component (CMGDC) ratings, as defined by the Uniform Interagency Community Reinvestment Act (CRA) Assessment Rating System, found in section 504.500.2 of the *Comptroller's Handbook for Consumer Examinations*.

**Trust Ratings** are the composite and six component (OOAACE) ratings, as defined by the Uniform Interagency Trust Rating System, found in Trust Examining Circular 14 or the Other Areas of Interest Appendix of the *Comptroller's Handbook for Fiduciary Activities*.

# SMS Documentation Requirements

## Supervisory Data

**EDP Ratings** are the composite and four component (AMSO) ratings, as defined by the Uniform Interagency Rating System for Data Processing Operations, found in section 22 of the *FFIEC EDP Examination Handbook*.

**Foreign Branch Ratings** are the composite and three component (AIM) ratings, as defined by the Standards for Evaluating Condition of Federal Branches and Agencies, found in section 701.1 of the *Comptroller's Handbook for National Bank Examiners*.

## Asset Statistics

The Asset Statistics record supplies information on asset quality and loan loss reserves for staff to use in supervising a particular institution and monitoring groups of banks. Asset statistics must be supported by examination activities documented in an analysis. Asset review information is documented in the Supervisory Data application by the following statistical data:

**Loan Review Start Date** is the start date for the examination activity. The Loan Review Start Date must be the same as the Exam Start Date of the analysis documenting the examination in which the loan review statistics were determined.

When a new asset statistics record is started from an analysis record by using the PF5 key, the Exam Start Date will automatically be entered as the Loan Review Start Date.

When a new asset statistics record is started from the SMS main menu by using the PF5 key, or the Loan Review Start Date of an in-process asset statistics record is changed, the user must enter a Ratings Start Date that is the same as the Exam Start Date for an existing analysis.

**Finalized Date** is the date the asset statistics record is finalized. This date does not have to match the Date of Final Supervisor's Review in the associated analysis.

**P/A** is an indicator that a dollar amount or ratio has not been entered. Possible entries in this field are P, for review not performed, or A, for review not applicable.

**Tier 1 + ALLL** is the dollar amount (in thousands) of common stockholders' equity, noncumulative perpetual preferred stock, and minority interests in consolidated subsidiaries, less ineligible intangibles (see 12 C.F.R. 3, Appendix A or *A User's Guide for the Uniform Bank Performance Report*, UBPR Page 11A), plus the allowance for loan and lease losses (see *Instructions for Consolidated Report of Income*, Schedule RI-B).

**Gross Loans/Leases** is the dollar amount (in thousands) of loans and leases, including unearned income (see *Instructions for Consolidated Report of Condition*, Schedule RC-C), plus the dollar amount of fee paid commitments (see *Instructions for Consolidated Report of Condition*, Schedule RC-L).

**Substandard** is the dollar amount (in thousands) of assets inadequately protected by the current sound worth and paying capacity of the obligor or collateral pledged. See BC-127, Uniform Agreement on the Classification of Assets and Appraisal Securities Held by Banks.

**Doubtful** is the dollar amount (in thousands) of assets with weaknesses that make collection or liquidation in full, based on existing facts, conditions and values, highly questionable and improbable. See BC-127, Uniform Agreement on the Classification of Assets and Appraisal Securities Held by Banks.

**Loss** is the dollar amount (in thousands) of assets considered uncollectable and of such little value that their continuance as bankable assets is unwarranted. See BC-127, Uniform Agreement on the Classification of Assets and Appraisal Securities Held by Banks.

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# SMS Documentation Requirements

## Supervisory Data

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**OAEM** is the dollar amount (in thousands) of other assets especially mentioned that constitute an undue and unwarranted credit risk, but not to the point of justifying a classification of substandard. See *Comptroller's Handbook for National Bank Examiners*, Section 215.1.

**OTRP** is the dollar amount (in thousands) of other transfer risk problems associated with cross-currency, international loans that have not been classified. See *Comptroller's Handbook for National Bank Examiners*, Section 215.1.

**Loans w/o Credit/Doc. Info** is the dollar amount (in thousands) of loans not supported by satisfactory credit and/or documentation information, as identified by the examiner and/or the bank.

**Loans Revwd by Exam** is the dollar amount (in thousands) of loans reviewed by examiners. Include fee paid commitments; all loans reviewed under the Shared National Credit program, if any; and the total homogeneous portfolio where policies, underwriting standards and problem loans have been reviewed. Do not report loans reviewed under SNC more than once.

**# Lns w/o In/# Lns Rev** is the product (to 2 decimal places) of the number of loans without credit and/or documentation information divided by the number of loans reviewed by the examiner for credit and documentation information. Count no loan more than once, even if it exhibits both a credit exception and a collateral exception.

**Criticized Source** is an indicator that identifies the source from which classified and criticized asset figures were obtained. The possible entries are B, for bank; E, for examiner; O, for other; or C, for any combination of the other three.

## Violations Data

The Violations record supplies statistical information on violations of law, regulation and interpretive rulings. Violations data must be supported by examination activities documented in an analysis. Violations are documented in the Supervisory Data application by the following statistical data:

**Violations Start Date** is the start date of the examination. The Violations Start Date must be the same as the Exam Start Date of the analysis documenting the examination in which the violations are identified.

**Finalized Date** is the date the violations record is finalized. This date does not have to match the Date of Final Supervisor's Review in the associated analysis.

**Sample Bank** is an indicator of whether the violations were found during an examination pursuant to the compliance program. Enter Y, for yes, or N, for no, if the violations were found because the bank was selected as a sample compliance bank, or if it is a regional bank that is being examined for compliance under the every other year schedule.

**Cite** is the actual citation of law, regulation or interpretive ruling. Use periods and parentheses and normally, no spaces.

For other than consumer violations, use only the law or regulation and section in the cite. For example, 12USC84 is sufficient to identify a violation; exception 13 is not needed.

For consumer violations, specific detail of the subsection, paragraph, etc., must be entered. The system automatically provides a listing of the most common citations.

# SMS Documentation Requirements

## Supervisory Data

**Dept** is a two-digit code that indicates the department to which the citation refers. If the citation refers to more than one department, enter the citation as many times as necessary to be able to record each Dept. The codes for Dept are:

<b>01</b> = Commercial loans	<b>09</b> = Trust
<b>02</b> = Instalment loans	<b>10</b> = CRA
<b>03</b> = Real estate loans	<b>11</b> = Home equity lines
<b>04</b> = Open end: credit card and other revolving credit	<b>12</b> = Effects test
<b>05</b> = Deposits	<b>13</b> = Investment securities
<b>06</b> = Indirect	<b>14</b> = Currency transaction reports
<b>07</b> = Leasing	<b>15</b> = Wire transfer
<b>08</b> = Operating subsidiary	<b>16</b> = Regulatory reports
	<b>17</b> = Other

**Vio** is an indicator of whether the citation is a violation, rather than a CRA recommendation or effects test problem (see below). Enter Y, for yes, to indicate a violation.

**Rec** is an indicator of whether the citation is a CRA recommendation or effects test problem, rather than a violation (see above). Enter Y, for yes, to indicate a CRA recommendation or effects test problem. CRA recommendations must only be entered when OCC follow-up is required (e.g., when the bank is rated unsatisfactory or substantial noncompliance).

**PG** is an indicator of whether the citation is subject to the Enforcement Policy Guides of regulations B, E, X and Z. Enter Y, for yes, to indicate that the citation is subject to the guides. See *Comptroller's Handbook for Consumer Examinations*, Appendices 502.201.1, 502.201.2, 502.204.1 and 502.206.1.

**Ref** is an indicator that a bank secrecy, MSRB, trust or consumer violation should be referred to another agency. Enter a Y, for yes, to indicate that the violation should be referred. The final decision on a referral must be documented in the Other Significant Events application.

## Policy Guide Violations Data

The Policy Guide Violations record supplies statistical data on the resolution of violations subject to the Enforcement Policy Guidelines for regulations B, E, X and Z. See *Comptroller's Handbook for Consumer Examinations*, Appendices 502.201.1, 502.201.2, 502.204.1 and 502.206.1. Policy Guide Violations data must be supported by follow-up activities documented in an analysis. This information is used in preparing reports for other agencies and Congress. Policy Guide Violations are documented in the Supervisory Data application by the following statistical data:

**Lump Sum Dollars** is the dollar amount (in thousands) of reimbursements paid in one lump sum. Use for reimbursable violations of regulations E, X and Z.\*

Do not use if payment reductions are being made and an amount has been entered into Pmt Redt Dollars.

**Pmt Redt Dollars** is the dollar amount of customers' payments reduced over the remaining life of the loan. Use for reimbursable violations of regulation Z.\*

Do not use if reimbursement was paid in one lump sum and an amount has been entered into Lump Sum Dollars.

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# SMS Documentation Requirements

## Supervisory Data

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**NOTE:** \* In some instances, one Regulation Z violation may result in some customers receiving a lump sum and others receiving a reduction in loan payments. List the number of customers receiving each type of reimbursement separately.

**No Cust** is the total number of customers affected by the violation. This information must be entered for all policy guide violations.

**Resol Date** is the date the bank notifies the OCC that it has completed required corrective action. This information must be entered for all policy guide violations.

## EDP Servicer Customers Data

The EDP Servicer Customers record supplies the identity of the data processing customers of an institution. EDP examiners are responsible for adding and deleting customers on assigned institutions. EDP Servicer Customers are documented in the Supervisory Data application by the following statistical data:

**Cust ID** is the charter number of the serviced institution. Service Type is a code indicating the contract service provided. Possible entries are:

**01** = Processor (PROC)

**02** = Facility Management (FAC MGMT)

**03** = Software Vendor (SOFT)

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# SMS Documentation Requirements

## Other Significant Events

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The Other Significant Events (OSE) application must be used to record a significant event whenever one arises. Information should be recorded as soon as it becomes available.

An Other Significant Events record must be entered for board meetings, discussions with examinations by other regulators, media coverage, chain bank reviews, Supervisory Review Committee decisions, operating plan exceptions, legal and accounting opinions, corporate applications, early warning reviews, and correspondence with the institution, such as OREO, dividend and fixed asset requests. OSE records **do not** record examination conclusions (see Analysis application, above).

**STATISTICAL DATA** in the Other Significant Events application indicates the type of event, critical dates connected with the event, and the level of importance of the event to supervisory personnel. Other Significant Events are documented by the following statistical data:

**Date of Event** is the date of the significant event. The system automatically enters the current date when a new Other Significant Event record is started. The user has the option of changing the current date to an earlier date.

**Select Type of Event** is an indicator of the type of significant event recorded. The user selects one of the listed events or Other. When Other is selected, the user enters a description of up to 20 characters. The Select Type of Event for bank requests formerly recorded as incoming correspondence is Other.

**Select Level of Importance** is an indicator of the level of importance of the recorded significant event. The possible entries are:

**H** = High

**M** = Medium

**L** = Low

**Date Completed/Closed** is the date the significant event is complete or the record will automatically close. The system automatically supplies the date 60 days after the start date of a new Other Significant Event. The user has the option of changing the automatically supplied date to any date between the Date of Event and the date one year after the current date. Users may enter blank spaces here to prevent the event record from automatically closing.

**OSE COMMENTS** summarize the facts, findings and conclusions of supervisory events. Other significant event comments should include a brief summary of the following topics:

- Brief description of event
- Actions and conclusions

**Format:** Comments should be succinct and summary in nature. Comments should not have the same degree of detail found in working papers. Information must be presented in the order indicated above, whether the paragraph or bullet point style is used.

The first 41 characters of the OSE comment is displayed on the Profile Report - Screen 3 to show the status or disposition, or to further describe the event.

Narrative comments concerning **multi-bank holding companies** must be entered in the holding company record. Supporting comments, including information on bank subsidiaries, must be entered in the individual lead and non-lead bank records. On-lead bank records can refer to the lead bank comments, where appropriate.

Narrative comments concerning headquarters and individually examined branches of **independent EDP servicers**, must be entered in the same manner as holding company comments.

Narrative comments concerning **chain groups** must be entered in the lead national bank record.

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# SMS Documentation Requirements

## Enforcement Actions

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The Enforcement Actions application must be used whenever a special supervision action is initiated, completed, and/or terminated and whenever civil money penalty (CMP) amounts are recommended, negotiated or paid.

The Enforcement Actions record indicates the type and status of a formal or informal enforcement action or civil money penalty initiated, completed, or terminated against an institution or its personnel. This information is used to report annually to Congress under FIRREA. Special supervision activities are documented in the Enforcement Actions application by the following statistical data:

**Type Code** is an indicator of the type of formal or informal enforcement action being recorded against the bank. See PPM-5310-3 (REV) Supplement 1 for definitions. The possible entries are:

<b>AAC</b>	= Application Approval Condition	<b>BR</b>	= Board Resolution
<b>CAP</b>	= Capital Directive	<b>C&amp;D</b>	= Cease and Desist Order
<b>CMP</b>	= Civil Money Penalty	<b>CL</b>	= Commitment Letter
<b>CONS</b>	= Conservatorship	<b>FA</b>	= Formal Agreement
<b>LR</b>	= Letter of Reprimand	<b>MOU</b>	= Memorandum of Understanding
<b>OOI</b>	= Order of Investigation	<b>PCAD</b>	= <b>Prompt Corrective Action Directive</b>
<b>RML</b>	= Removal/Prohibition	<b>SE</b>	= Securities Enforcement
<b>SL</b>	= Supervisory Letter	<b>SUSP</b>	= Suspension
<b>TC&amp;D</b>	=Temporary Cease and Desist Order	<b>TRU</b>	= Trust Power Revocation

**Initiated Date** is the date an enforcement action is initiated, through a decision by the Supervision Review Committee (SRC) or other decision making authority.

**Completed Date** is the date an enforcement action is considered effective.

**Terminated Date** is the date an enforcement action is no longer effective. For actions such as supervisory letters, the Terminated Date is the same as the Completed Date.

**Summary Desc** is a brief description of an enforcement action. If the action is against an associated institution, agent, contractor, or consultant, the user must include a notation here.

**Subject Last Name** is the last name of the individual who is the subject of an enforcement action.

**Subject First Name** is the first name of the individual who is the subject of an enforcement action.

**Status Code** is an indicator of the status of the enforcement action. The default entry is DEL, for delegated. Possible entries are:

*For initiated and completed actions:*

**DEL**=Delegated—handled by District      **N-D** = Non-delegated—handled by Washington

*For terminated actions:*

<b>FAIL</b>	=Failed	<b>JUD</b>	= Judicial enforcement
<b>IMP</b>	=Improved condition	<b>MER</b>	= Merged or acquired
<b>DNGD</b>	=Downgrade to less severe action	<b>UPGD</b>	= Upgrade to more severe action
<b>UNCO</b>	= Uncollectible	<b>PAID</b>	= Paid in full

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# SMS Documentation Requirements

## Enforcement Actions

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**CMP Initiated Amount** is the dollar amount (in dollars) of the civil money penalty approved to be initiated against an entity by the SRC or other decision making authority.

**CMP Completed Amount** is the dollar amount (in dollars) of the civil money penalty negotiated by the OCC or consented to by the involved entity.

**CMP Collected Amount** is the dollar amount (in dollars) of the civil money penalty that has been collected by the OCC to date.

**CMP Outstanding Amount** is the dollar amount (in dollars) of the civil money penalty that remains uncollected by the OCC to date.

# SMS Documentation Requirements

## Housekeeping

The Housekeeping application must be used to correct institution identification indicators whenever a user identifies such errors while performing other duties in SMS. If a user locates an error which it is inappropriate for him or her to correct, the error must be communicated to appropriate personnel as soon as identified. The portfolio manager must verify the accuracy of this information at least once each supervisory cycle.

The Housekeeping application provides information about the structure and services offered by an institution and the staff responsible for its supervision. This information aids supervision of a particular institution and using aggregate data on groups of institutions. Institution information is documented in the Housekeeping application by the following statistical data:

**Supervisory Classification** is an indicator of type of business, size of institution, relationship within an organizational structure, and/or supervisory location. The correct entry is the most complete and fully correct description. Possible entries are:

- ML** = Lead bank of a multinational banking company
- MS** = Non-lead bank of a multinational banking company
- RL** = Lead bank of a district office-supervised regional banking company
- RS** = Non-lead bank of a district office-supervised regional banking company
- NL** = Lead bank of a field office-supervised regional banking company
- NS** = Non-lead bank of a field office-supervised regional banking company
- CO** = Community bank , not a subsidiary of a multinational or regional banking company
- FB** = Federal branch or agency of a foreign bank
- DM** = Multi-regional data processing servicer
- DR** = Regional data processing company
- DC** = Community data processing company
- HM** = Multinational bank holding company
- HR** = District-supervised regional bank holding company
- HN** = Field office-supervised regional bank holding company
- HC** = Community bank holding company.

**Portfolio Manager ID** is the name and user identification number of the person responsible for developing and carrying out a supervisory strategy for an institution. See EC 258, OCC Supervision Policy.

**Field Manager ID** is the name and user identification number of the person who manages the duty station or supervisory office division responsible for developing and carrying out a supervisory strategy for an institution. The Field Manager ID must reflect the person who manages the duty station or supervisory office division indicated by Responsible Field Manager (see below).

**Supervisory Analyst ID** is the name and user identification number of the person in the supervisory office (identified by Supervisory Office Code, below), who is responsible for overseeing the supervisory activities of an institution.

**Washington Office Analyst ID** is the name and user identification number of the person in a Washington division responsible for overseeing the supervisory activities of an institution.

**EDP Examiner ID** is the name and user identification number of the person responsible for performing data processing examination activities in a national bank. For a nonbank EDP servicer, this is the same as the Portfolio Manager ID.

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# SMS Documentation Requirements

## Housekeeping

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**Controlling Owner** is the name of the person, persons, or business entity that controls an institution, as defined in 12 USC 1817(j).

**Delegation Indicator** is an indicator of whether or not supervision of the institution has been delegated to the district. See PPM 5000-31. Possible entries are:

**DEL** = Delegated

**N-D** = Nondelegated

**District Code** is a two-digit indicator of the district in which the institution is geographically located. The District Code is the first two digits of the Geo Code, below.

**Geo Code** is the four-digit, OCC-assigned budget code for the nearest OCC duty station responsible for on-site examination of the institution. It is not necessary for the Geo Code to indicate the same duty station implied by the Field Manager ID and/or Responsible Field Manager.

**Supervisory Office Code** is the four-digit, OCC-assigned budget code for the division, district or field office responsible for overseeing the supervisory activities of an institution.

**Responsible Field Manager Code** (also known as Supervisory Duty Station) is the four-digit, OCC-assigned budget and alpha team code for the dutystation or supervisory office division responsible for developing and carrying out appropriate supervisory strategies for an institution. Responsible Field Manager Code must indicate the duty station or supervisory office division managed by the person indicated by Field Manager ID.

**MSRB Indicator** is an indicator of whether the institution must be examined under the MSRB program. Possible entries are:

**Y** = Dealer banks

**N** = Non-dealer banks.

**MSRB Due Date (19YY)** is the last two digits of the year in which the institution is next required to be examined under the MSRB program.

**EDP Service Provider Code** is an indicator of the extent to which an institution provides data processing services. This is not the same as the EDP Servicer Code, below. Possible entries are:

**0** = Does not provide services

**1** = Services self only

**2** = Services others only

**3** = Services self and others.

**EDP Servicer Code** is an indicator of the institution's status in providing data processing services. This is not the same as the EDP Service Provider Code. Possible entries are:

**0** = Does not provide services

**1** = Is actively providing services      **2** = Is currently inactive as a servicer.

**Trust Powers Code** is an indicator of the type of trust powers granted to the institution. This is not the same as the Trust Activity Code, below. Possible entries are:

**0** = No trust powers granted

**1** = Full trust powers granted

**2** = Limited trust powers granted.

**Trust Activity Code** is an indicator of whether or not trust powers are currently exercised at the institution. This is not the same as the Trust Powers Code. Possible entries are:

**1** = Trust powers exercised

**2** = Trust powers not exercised.

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# SMS Documentation Requirements

## Scheduling and Tracking

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The Scheduling and Tracking application creates a tracking record whenever a Y, for yes, is entered in the ROE To Bank field in the Analysis application. The required dates (listed later) must be tracked through acknowledgement. Other entries and schedules may be required by district policy.

The Scheduling and Tracking application provides critical dates connected with the processing of a report of examination. This information ensures that reports of examination are processed in a timely fashion and that the OCC communicates in writing with each institution. ROE processing is documented in the Scheduling and Tracking application by the following required statistical data:

**Start Date** is the Exam Start Date supplied by the system from the Analysis application. This date cannot be changed in the Scheduling and Tracking application.

**Close Date** is the Exam Close Date supplied by the system from an existing analysis. This date cannot be changed in the Scheduling and Tracking application.

**Date Report Due In** is the date the ROE is due in the office of the signing authority. The system automatically sets this date as the date three days after the Close Date. Users may change this date if necessary.

**Date Report Received** is the date the ROE is received in the office of the signing authority for final processing.

**Date Report Due Out** is the date the ROE is due out of the office of the signing authority. This date is automatically set by the system as the date 14 days from the Close Date. Users may change this date, if necessary.

**Date Report Mailed** is the date the ROE is actually mailed to the institution by the office of the signing authority. Users are not required to enter a date here when no final ROE is sent to an inactive bank.

**Date Bank Acknowledged Rpt** is the date the bank acknowledged receiving the report of examination. This date is required to close the tracking record unless a Y, for yes, is entered in the Unacknowledged Rpt (Y/N) field, below.

**Unacknowledged Rpt (Y/N)** is an indicator that a ROE was written but not sent to an inactive bank or that a ROE sent remains unacknowledged. The default entry is N, for no, changing the entry to Y, for yes, allows the record to be closed without an entry in Date Bank Acknowledged Rpt.