Mutual Savings Association Advisory Committee Meeting

April 27, 2021
OCC Introductions

Blake Paulson, Acting Comptroller
Sydney Menefee, Senior Deputy Comptroller for Midsize and Community Bank Supervision
Michael Brickman, Deputy Comptroller for Thrift Supervision
Charlotte Bahin, Senior Advisor for Thrift Supervision
OCC District Deputy Comptrollers

- Karen Boehler – Western District
- Troy Thornton – Southern District
- Beverly Cole – Northeastern District
- Brian James – Central District
Welcome MSAAC Members

Returning

Ana Babiasz, President and CEO of Fidelity Federal Savings and Loan Association, Delaware, OH

John Coyne III, President and CEO of Big Horn Federal Savings Bank, Greybull, Wyoming

Brian North, President and CEO of Fifth District Savings Bank, New Orleans, LA

Dennis L. Parente, President and CEO of Foxboro Federal Savings, Foxboro, Massachusetts

Annette Russell, President and CEO of Security Federal Savings Bank, Logansport, Indiana

New

David Barksdale, President and CEO of Piedmont Federal Savings Bank, Winston-Salem, North Carolina

George Hermann, President and CEO of Windsor Federal Savings, Windsor, Connecticut

James (Jay) McKenna, President and CEO of North Short Bank, Brookfield, Wisconsin

David Reynolds, President and CEO of Home Federal Bank of Tennessee, Knoxville, Tennessee

Thomas Rudzewick, President and CEO of Maspeth Federal Savings and Loan Association, Maspeth, New York
Federal Advisory Committee Information

• MSAAC is a federal advisory committee established under the Federal Advisory Committee Act
• The purpose of MSAAC is to advise the Comptroller and OCC staff on mutual issues
• Each member is a representative member
• Meetings are public
  – Members of the public attend, and may only participate in the designated public comment period of the meeting
  – Minutes are taken
  – Materials are available on the MSAAC page of OCC.gov and on the Treasury Department’s Federal Advisory Committee database.
MSAAC Accomplishments and Influence


- Covered Savings Association – Statute, Regulation, and Guidance

- **Key Differences Among National Bank, Federal Savings Association, and Covered Savings Association Requirements** – July 2019

- Annual Mutual Forum – Save the date for June 29, 2021
MSAAC Focus Areas

• Examination feedback and education

• Capital

• Chartering – Benefits of Mutuality

• Diversity and Inclusion – Banking the unbanked and underbanked

• Corporate transactions – liquidations, supervisory conversions, MHCs, mergers

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Covered Savings Association Update

- 21 federal savings associations have made the election to become covered savings associations.

- 52 percent of CSAs are mutuals.

- The OCC is having ongoing conversations with multiple FSAs contemplating making the election.

- On April 1, 2021, the Federal Reserve Board of Governors issued two interpretive letters on the treatment of CSAs and their holding companies. Please contact the FRB with any questions.
Mutual Trends

- The OCC supervised 1,094 NBs and FSAs as of December 31, 2020. The OCC supervised 279 FSAs, of which mutual FSAs represent 140 charters (12.8 percent of total charters).

- Over the past ten years the number of OCC supervised “pure” mutuals declined from 219 at integration to 116 at year end 2020.
  - 33 percent converted to a stock form of organization
  - 32 percent were acquired (19.4 percent by federal charters, 12.6 percent by state charters)
  - 30.1 percent converted to state charters
  - 3.8 percent failed
  - 1 percent liquidated

- The mutual consolidation trends mirror the broader community bank population, but mutual consolidation is slower than compared to stock FSAs.
Mutual Forum Planning

• The Forum is June 29, 2021. It will be virtual and will include both federal and state-regulated mutuals.

• We are soliciting panel topic areas and volunteers to participate on panels
  – Keynote will be Acting Comptroller Paulson and FDIC Chair McWilliams
  – Each general session panel will have banker and regulator speakers
  – There will be agency-specific breakouts to meet with OCC, FDIC, or FRB leadership
  – Topics under consideration include cybersecurity/ransomware, benefits of mutuality, economics update, COVID lessons learned

• Outreach to mutual peers