Index

accounting principles. See generally accepted accounting principles (GAAP) accounting standards Accounting Standards Codification (ASC), 47, 49 basis of, 46 Federal Accounting Standards Advisory Board (FASAB), 46 accounts receivable, 37, 47, 51 Acting Comptroller of the Currency. See Walsh, John Anti-Money Laundering. See Bank Secrecy Act/Anti-Money Laundering (BSA/AML) assets composition of, 37–38 of OCC, 37 at OCC-supervised banks, inside front cover, 25 assurance statement, 71-74 B bank capital at OCC-supervised banks, 25 strengthening of, 19 Bank Control Act, 32 bank failures, 10, 12, 71 bank holding companies, minimum capital standards for, 19 Bank Secrecy Act/Anti-Money Laundering (BSA/AML), 7, 15–17, 72, 73 Basel Committee on Banking Supervision, 19, 20 benefits. See employee benefits Bloom, Thomas R., 28, 30, 35–36 Brosnan, Michael L., 28, 29 budgetary resources, 41, 45 C CAMELS, 69 capital. See bank capital Capital One, 18, 33 capital standards, 4, 5, 19, 20 charge-off rates, 12, 25 Chase, Salmon P., 2, back cover Chief Counsel's Office Julie L. Williams, 28, 29 Chief Financial Officer biography, 30 Thomas R. Bloom, 28, 30, 35–36 letter from, 35-36

```
Chief National Bank Examiner
   John C. Lyons Jr., 28, 29
Chief of Staff
   Paul M. Nash, 7, 28
Citibank, 16
civil money penalties (CMP), 1, 4, 9, 18, 33, 37, 49, 51
Civil Service Retirement System (CSRS), 41, 48
Cofield, Joyce, 23, 30
Collins Amendment, 19
commercial real estate. See real estate, commercial
commitments and contingencies, 59
common equity, 19
Community Affairs Department, 29
community banks
   asset-quality indicators, 10
   bank failures, 12
   cost of supervising, 40
   concentration risk, 5, 12
   credit rating rules for, 20
   credit risk management, 12
   lending limits rule for, 21–22
   number of OCC-supervised, inside front cover
   OCC supervisory programs, 5, 8, 9, 29
   revenue challenges for, 26
   stress testing, 12, 21, 72–73
community development, 15
Community Reinvestment Act (CRA), 15, 17, 18, 30, 33, 69
compensation. See also employee benefits
   equity capital standards and, 19
   payouts, 14, 18, 19
compliance risk, 9
Comptroller of the Currency. See Curry, Thomas J.
Comptroller's Viewpoint, 4–6
concentration risk, 5, 10, 12, 72
Condition of the Federal Banking System. See federal banking system
consent orders, 14, 16, 18, 72
consumer complaints, 17–18, 69–70
Consumer Financial Protection Bureau (CFPB), 17–18, 36, 40, 52, 53, 70
consumer financial services regulation, 17–18
contingencies, 4, 59
cost of operations, 41, 43, 44, 56–57, 58
credit quality, 25
   credit risk. 9
   credit risk management, 10-12
credit ratings, 18, 19, 20-21
credit underwriting, 10-12, 22
```

```
Curry, Thomas J., 28
   appointment of, 7
   assurance statement, 71–74
   biography, 27
   as Comptroller, 1
   Comptroller's Viewpoint, 4–6
   on concentration risk, 12
   on fair lending, 18
   on JPMC losses, 22
   on operational risk, 13
   speeches, 12, 13, 24
custodial revenues and collections, 49
Customer Assistance Group, 18, 30
D
Department of the Treasury, U.S., 1, 38, 46, 47
deposit flows, 26
derivatives, 22
diversity, OMWI and. See Office of Minority and Women Inclusion (OMWI)
dividend payouts, 19
Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, 2, 4, 6, 7, 71
   bank capital and Basel III, 19
   Collins Amendment, 19
   consumer financial services, 17
   credit ratings rule, 5, 20
   federal savings associations, 46
   implementation, 5-6, 18-24
   lending limits rule, 21–22
   OCC and OTS integration, 2, 22–23
   and OCC pension funding, 35
   Office of Minority and Women Inclusion, 20, 23–24
   Office of Thrift Supervision, 2, 22–23, 35–36, 37, 39–40, 55
   risk-retention rule, 5
   risk-weighted assets, 19
   section 342, 23
   section 610, 21-22
   section 619 (Volcker rule), 5, 22
   section 939(a), 20
   stress testing rule, 5, 21
   Volcker rule, 5, 22
E
earmarked funds, 47
economic recovery, 4-5, 10-12, 19, 24, 25-26, 70, 71
Economics Department
   Mark Levonian, 28, 30
```

```
employee benefits, 48–49
   Federal Employees' Compensation Act, 54, 55
   Federal Employees' Group Life Insurance (FEGLI), 41, 48, 57
   Federal Employees Health Benefits (FEHB), 41, 48, 57
   OCC 401(k) plan, 48
   Office of Management responsibilities, 30
   post-retirement life insurance benefits, 48-49, 54
   retirement plans, 35, 41, 48, 54, 55, 57
   Thrift Savings Plan, 48
enforcement actions, 1, 4, 8, 13, 14–17, 18, 29, 33
Enterprise Governance, 30
entity assets, 37
equal opportunity employment, 23, 30
erroneous payments, 70, 71
Examiner-in-Charge, 8, 9
EXCEL program, 17
Executive Committee, 27, 28, 74
F
FBWT. See fund balance with Treasury
federal banking system
   bank capital, 19, 20
   Bank Secrecy Act/Anti-Money Laundering (BSA/AML) compliance, 15–17
   capital standards, 19, 20
   Comptroller's Viewpoint, 4–6
   condition of, 2, 9, 13, 25–26
   consumer financial services regulation, 17–18
   Dodd-Frank implementation, 5-6, 18-24
   funding, 26
   National Bank Act, 2
   National Currency Act, 2
   performance measures and results, 69-70
   revenues, 25–26, 39
   Year in Review, 7–26
federal branches
   cost of supervising, 40
   number of OCC-supervised, inside front cover
Federal Deposit Insurance Corporation (FDIC)
   Comptroller's role in, 1, 27
   Thomas J. Curry and, 27
   Memorandum of Understanding on bank supervision, 17
   Paul M. Nash and, 28
Federal Employees' Compensation Act, 54, 55
Federal Employees' Group Life Insurance (FEGLI), 41, 48, 57
Federal Employees Health Benefits (FEHB), 41, 48, 57
Federal Employees Retirement System (FERS), 41, 48
```

```
Federal Financial Institutions Examination Council, 27, 72
Federal Financial Management Improvement Act (FFMIA), 71
Federal Home Loan Bank Board, 29
Federal Managers' Financial Integrity Act (FMFIA), 71, 74
Federal Reserve
   Mark Levonian and, 30
   Memorandum of Understanding on bank supervision, 17
   mortgage relief training conferences, 14
federal savings associations
   assurance statement, 71–74
   Bank Control Act Actions, 32
   Chief Counsel's Office, 29
   Chief National Bank Examiner's Office, 29
   Community Affairs Department and, 29
   Comptroller of the Currency's duties, 27
   Comptroller's Viewpoint, 4–6
   corporate application activity, 31
   cost of supervising, 40
   credit rating rules, 20–21
   interest rate risk management, 13
   Large Bank Supervision, 29
   lending limits rule, 21
   licensing actions, 32
   number of OCC-supervised, inside front cover
   and OCC and OTS integration, 22–23, 71–72
   OCC assessments against, 56
   OCC funding from, 35, 38, 46, 48, 51, 56
   OCC mission, 1, 2, 46
   OCC performance measures and results, 69-70
   OCC supervision costs, 40
   OCC supervision of, 4–5, 35, 36, 71
   Office of the Chief Accountant's responsibilities, 29
   Office of Thrift Supervision, 2, 22–23, 71–72
   performance measures and results, 69–70
   and SCRA, 73
   stress testing for, 73
Federal Trade Commission Act, 18
financial crisis. See also economic recovery
   assurance statement, 71–74
   and bank capital, 19
   and capital standards, 4
   Comptroller's Viewpoint, 4–6
   and credit ratings, 20
   and funding, 26
   and importance of banking system, 4
   and leveraged loans, 11
```

```
and risks to banking system, 6
   and stress testing, 21
Financial Management Discussion and Analysis, 35–74
   assets, 37
   assurance statement, 71–74
   balance sheets, 42
   budgetary resources, 41, 45, 58
   cost of operations, 41, 56, 57
   erroneous payments, 70, 71
   financial statements, 35, 37, 42–45
   financial summary, 37
   fund balance with Treasury, 37, 42, 47, 49
   Improper Payments Elimination and Recovery Act, 70, 74
   imputed costs, 56, 57
   independent auditor's report, 60–68
   investments, 35, 37, 38, 39, 40, 42, 47, 50, 56
   leases, 52, 53
   letter from the Chief Financial Officer, 35–36
   liabilities, 38, 42, 47, 54
   net position, 39, 42, 44, 56
   notes to financial statements, 46–59
   other actuarial liabilities, 54–55
   performance measures and results, 69–70
   property and equipment, net, 37, 42, 47, 52
   reconciliation of net cost of operations to budget, 57, 58
   rental income, 35, 40, 52, 53
   reserves, 35, 39-40
   revenues, 40, 46, 47, 49
   significant accounting policies, 46-49
   statements of budgetary resources, 45
   statements of changes in net position, 44
   statements of net cost, 43
financial statements, 42–45
   balance sheets, 42
   notes to, 46-59
   statements of budgetary resources, 45
   statements of changes in net position, 44
   statements of net cost, 43
flood insurance, 17, 18
foreclosures
   backlog, 10
   during first half of 2012, 25
   independent foreclosure review, 14
   mortgage foreclosure agreement implementation, 14–15
   servicing standards, 72
```

```
401(k) plan, 48
fund balance with Treasury (FBWT), 37, 42, 47, 49
funding
   costs, 26
   of OCC operations, 2, 35
G
generally accepted accounting principles (GAAP), 35, 37, 46
GKA, independent auditor, 35, 60–68
H
Hattix, Larry L., 30
hedge funds, 22
Home Owners' Loan Act, 2
housing, 10, 15. See also real estate, residential
HSBC Bank USA, 16-17
I
Improper Payments Elimination and Recovery Act of 2012, 70, 74
imputed costs and financing sources, 56, 57
independent auditor's report, 35, 60-68
independent foreclosure review, 14
information technology
   bank information technology, 17, 29
   controls, 71
   disaster recovery capability, 73
   investments, 40, 56
   OCC Information Technology Services, 30
interest rate risk (IRR), 9, 13
internal controls, 16, 35, 71–74
"investment grade" determination, 20
investments and related interest, 37, 38, 42, 47, 50
J
JP Morgan Chase (JPMC), 22
Justice, U.S. Department of, 18, 73
K
Kelly, Jennifer C., 28, 29
L
Large Bank Review Team, 17
large banks
   asset-quality indicators, 10
   BSA/AML compliance and enforcement, 16, 17
   capital requirements, 19
```

```
Collins Amendment, 19
   consumer complaints, 17-18
   corporate oversight and governance, 5, 21, 72
   cost of supervising, 40
   deposit flows, 26
   examiner staffing, 5, 8, 17, 72, 73
   foreclosures, 10, 14
   heightened expectations, 5, 8, 15, 72
   Large Bank Supervision, 8, 29
   number of OCC-supervised, inside front cover
   specialized examinations, 17
   stress testing, 21
   supervisory ratings, 8
Large Bank Supervision, Department of
   Michael L. Brosnan, 28, 29
   examiner staffing, 5, 8, 17, 72, 73
   EXCEL program, 17
Law Department. See Chief Counsel's Office
leadership training, 17
Lean Six Sigma (LSS), 36
leases, 52, 53
lending limits, Dodd–Frank rule on, 18, 21–22
leveraged lending, 10–12
Levonian, Mark, 28, 30
liabilities, 35, 42, 46, 47–48, 54
   composition of, 38
licensing
   actions and timeliness, 32
   applications presenting Community Reinvestment Act issues decided, 33
   changes in Bank Control Act actions, 32
   corporate application activity, 31
   department of, 29
   and enforcement measures, 31–33
   performance measures and results, 70
   regulation of banking system's operational and competitive structure, 8
licensing and enforcement measures, 31–33
life insurance, 41, 48–49, 54, 57
Lincoln, Abraham, 1, 6, back cover
liquidity, 4, 11, 72
   risk management, 9, 13
   and stress testing, 21
loan losses, 10, 12, 25
low-income housing tax credit, 15
Lyons, John C., Jr., 28, 29
```

```
M
map, OCC district boundaries, inside front cover
market risk, 1, 9, 20
McCulloch, Hugh, 1
Midsize and Community Bank Supervision, Department of
   Jennifer C. Kelly, 28, 29
midsize banks, 8, 11, 22
   cost of supervising, 40
   number of OCC-supervised, inside front cover
minority borrowers, 18, 24
minority-owned banks, 24
minority-owned businesses, 23
money laundering. See Bank Secrecy Act/Anti-Money Laundering (BSA/AML)
mortgage(s)
   CFPB and, 17-18
   foreclosures, 10, 14-15, 25
   at OCC-supervised banks, 7, 10, 25, 72
   relief, 14-15, 18
   SCRA violations, 18
mortgage-backed securities, 20
Mortgage Electronic Registration System, 15
mortgage foreclosures. See foreclosures
N
Nash, Paul M., 7, 28
National Bank Act (1864), 1, 2
national banks
   assurance statement, 71-74
   Bank Control Act Actions, 32
   Chief Counsel's Office, 29
   Chief National Bank Examiner's Office, 29
   Community Affairs Department and, 29
   Comptroller of the Currency's duties, 27
   Comptroller's Viewpoint, 4–6
   corporate application activity, 31
   cost of supervising, 40
   credit rating rules, 20
   interest rate risk management, 13
   Large Bank Supervision, 29
   lending limits rule, 21
   licensing actions, 32
   number of OCC-supervised, inside front cover
   OCC assessments against, 56
   OCC funding from, 35, 46, 48, 51, 56
   OCC mission, 1, 2, 46
```

OCC performance measures and results, 69–70

Index

```
OCC supervision costs, 40
   OCC supervision of, 4–5, 35, 36, 71
   Office of the Chief Accountant's responsibilities, 29
   Office of Thrift Supervision, 23, 71–72
   performance measures and results, 69–70
   and SCRA, 73
   stress testing for, 73
National Credit Union Administration, 17
National Currency Act (1863), 1, 2, 46
National Risk Committee (NRC), 9–10, 72
   Semiannual Risk Perspective, 10, 72
Neighbor Works America, 1, 27
net cost of operations, 41, 43, 44, 56, 57, 58
net income, OCC-supervised banks, 25
net position, 39, 42, 44, 56
new markets tax credit, 15
non-entity assets, 37
noninterest expenses, 26
noninterest income, 26
notices of proposed rulemaking (NPR), 5, 18–22, 72–73
0
Office of Foreign Asset Control, 16
Office of Management (OM)
   Thomas R. Bloom, 28, 30, 35-36
Office of Minority and Women Inclusion (OMWI), 20, 23–24, 30
   Joyce Cofield, 23, 30
Office of Personnel Management (OPM), 41, 48, 57
Office of the Chief Accountant, 29
Office of the Comptroller of the Currency (OCC)
   about the, 1-2
   at-a-glance, inside front cover
   budget authority, 40, 45, 49
   capital standards, 19
   Chief Counsel's Office, 29
   Chief National Bank Examiner's Office, 29
   Chief of Staff, 28
   Comptroller of the Currency, 27
   consumer complaints closed or referred, 17-18, 69
   consumer complaints opened, 17, 69
   cultivation of skills and leadership within, 17
   Economics Department, 30
   enforcement actions (FY 2012), 33
   Executive Committee, 28
   harmonization of capital standards, 19
   history, 1–2
```

```
housing finance initiatives, 15
   licensing, enforcement, 31–33
   Midsize and Community Bank Supervision Department, 29
   mission, 1, 7, 8, 17, 35, 36, 46, 71
   number of employees, inside front cover
   office locations, inside front cover
   Office of Management, 30
   Office of Minority and Women Inclusion, 30
   Office of the Ombudsman, 30
   organization of, 27–30
   regulatory powers, 1–2
   revenue derived from assessments, 40, inside front cover
   rule on risk-based capital for market risk, 20
   strengthening of bank capital, 19
   supervisory programs, 8
Office of the Ombudsman
   Larry L. Hattix, 30
Office of Thrift Supervision (OTS), 2, 18, 22–23, 35–36, 37, 39–40, 55, 71–72
Ombudsman. See Office of the Ombudsman
operational risk, 13–18
   Bank Secrecy Act/Anti-Money Laundering compliance, 15–17
   consumer compliance, 17–18
   defined, 9
   mortgage foreclosure agreement implementation, 14–15
operations, cost of. See cost of operations
P
pension funding, 35
Pentegra Defined Benefit Plan, 39, 48, 54, 55, 57
performance measures and results, 69–70
permanent supportive housing (PSH), 15
post-retirement life insurance benefit plan, 48–49, 54
price risk, 9
private equity funds, 22
problem loans, 12
profitability, at OCC-supervised banks, 5, 10, 25
property and equipment, net, 47, 52
proprietary securities trading, 5, 18, 22
public service announcements, 14
R
real estate
   commercial, 5, 10, 12, 25, 73
   residential, 5, 12, 25
reconciliation of net cost of operations to budget, 57, 58
rental income, 35, 40, 52, 53
```

```
reserves, 12, 25, 35, 39–40, 56
retirement plans, 35, 41, 48, 54
revenues
   components of total revenue, 40, 46–47
   at OCC-supervised banks, 25–26
risk-based capital, 20
risk management
   credit risk, 10–12
   interest rate risk, 13
   liquidity risk, 13
   operational risk, 13–18
   risk assessment, 9–10
risk-weighted assets, 19
rulemaking. See Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010; notices
       of proposed rulemaking
S
securities trading, 22
securitization, 5, 22. See also mortgage-backed securities
Semiannual Risk Perspective, 10
Senate Committee on Banking, Housing, and Urban Affairs, 7
Senate Committee on Homeland Security and Governmental Affairs, 16–17
Servicemembers Civil Relief Act (SCRA), 14, 18, 73
small business lending, 12, 73
strategic risk, 9, 74
stress testing, 12, 13, 18, 20, 21, 72–73
subprime lending, 18
Supervisory Capital Assessment Program, 21
supervisory initiatives, 7–8
Survey of Credit Underwriting Practices, 10–11
terrorism, money laundering and, 15–17
thrifts. See federal savings associations; Office of Thrift Supervision (OTS)
Thrift Savings Plan, 48
training, 17
Treasury, U.S. Department of the, 1, 38, 46, 47. See also fund balance with Treasury (FBWT)
H
underwriting, 10–11, 22
Uniform Financial Institutions Rating System, 17
V
Volcker rule, 5, 18, 22
```

W

Walsh, John
Acting Comptroller, 27
Dodd–Frank implications, 19
OCC and OTS integration, 23
Volcker rule, 22
Wells Fargo, 18
Williams, Julie L., 28, 29
women-owned businesses, 23



Year in Review, 7–24

89