

Comptroller of the Currency
Federal Deposit Insurance Corporation

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The Office of the Comptroller of the Currency (OCC) and the Federal Deposit Insurance Corporation (FDIC) today announced a cooperative examination program for national banks. The program will be effective January 1, 1984, and will supplement existing programs under which the two agencies share information derived from bank examinations.

As the primary supervisor of national banks, the OCC is responsible for ensuring the safety and soundness of the national banking system. The Office charters, regulates, and examines national banks; supervises and enforces their compliance with laws and regulations, and declares banks insolvent.

The FDIC is responsible for insuring the deposits of virtually all state-chartered and all national banks, and acts as receiver for all failed banks.

"Inviting the FDIC to join us in examining banks in which they have a special interest should serve to strengthen the overall supervisory process," Comptroller C. T. Conover said. "This program provides for a better, more coordinated way to supervise troubled banks."

"The FDIC is very pleased to enter into this cooperative effort with the OCC," said FDIC Chairman William Isaac. "It will help us be more effective in carrying out our responsibilities as deposit insurer of the nation's banks. The program builds upon numerous initiatives undertaken during the past couple of years to better coordinate the activities of the two agencies."

Under the program announced today, the OCC will invite the FDIC to participate in the examination of 4- and 5-rated national banks and in selected examinations of other community banks. The sampling will be jointly determined by the OCC and FDIC at the beginning of each year. FDIC will receive scheduling information at least two months in advance.

FDIC and OCC examiners-in-charge (EICs) will work together and participate in management discussions, exit reviews, and board meetings. The OCC will prepare the report of examination to be submitted to the bank, and the FDIC will generate a report for its internal use. The FDIC will also be invited to attend meetings in which OCC supervisory actions for national banks are determined.

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Additionally, the FDIC will be invited to assist OCC in a representative sample of examinations of multinational and regional banks, and in a similar sample of OCC overseas examinations.

The FDIC has agreed to consult with appropriate state bank supervisors to arrange for OCC examiners to participate in examinations of state nonmember banks that have significant financial relations with a national bank.

Conover and Isaac said that this program will meet both agencies' needs for a high level of coordination, communication, and cooperation in carrying out their complementary responsibilities.

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