



PRESS RELEASE

Federal Deposit Insurance Corporation • Each Depositor insured to at least \$250,000

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FDIC Proposes Changes to Its Supervisory Appeals Process

Seeks Comments by October 20, 2020

WASHINGTON – The Board of Directors of the Federal Deposit Insurance Corporation (FDIC) today approved a proposal to amend its Guidelines for Appeals of Material Supervisory Determinations. The most significant change in the proposal would be to replace the current Supervision Appeals Review Committee (SARC) with an independent, standalone Office of Supervisory Appeals (Office) within the FDIC.

"The proposal seeks to establish a fair, independent process for a bank to appeal material supervisory decisions. Such an appeals process is key to promoting consistency among examiners across the country, ensuring accountability at the agency, and ultimately, maintaining stability and public confidence in the nation's financial system," said FDIC Chairman Jelena McWilliams.

The Office would have final authority to resolve appeals and would be independent within the FDIC organizational structure. The Office would be staffed by individuals with bank supervisory or examination experience. To further promote its independence, the FDIC would recruit externally to staff the Office.

If the changes are adopted, an institution unable to resolve a disagreement regarding a material supervisory determination with the examiner or the appropriate Regional Office or Division Director would be able to appeal that determination to the Office.

Changes to the supervisory appeals process are being proposed, in part, based on outreach sessions the FDIC's Ombudsman held with bankers and other interested parties in the fall of 2019. The FDIC believes that the creation of the proposed Office



Congress created the Federal Deposit Insurance Corporation in 1933 to restore public confidence in the nation's banking system. It promotes the safety and soundness of these institutions by identifying, monitoring and addressing risks to which they are exposed. The FDIC receives no federal tax dollars — insured financial institutions fund its operations.

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would promote independence and help alleviate perceived conflicts of interest, among other important goals.

Currently, the SARC is comprised of three voting members: an inside FDIC Board member who serves as the Committee's chairman and a deputy or special assistant to each of the other two inside FDIC Board members who are not designated as the SARC Chairman.

Comments will be accepted through October 20, 2020.

Attachments:

[Proposed Changes to the Guidelines for Appeals of Material Supervisory Determination](#)

[Statement by FDIC Chairman Jelena McWilliams](#)



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