
Joint Release

**Federal Deposit Insurance Corporation
Federal Reserve Board of Governors
Office of the Comptroller of the Currency**

For immediate release

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Federal Banking Agencies Finalize Rule Expanding Number of Banks and Savings Associations Qualifying for 18-Month Examination Cycle

WASHINGTON— The Federal Deposit Insurance Corporation, the Federal Reserve Board, and the Office of the Comptroller of the Currency issued interagency final rules that increase the number of small banks and savings associations eligible for an 18-month examination cycle rather than a 12-month cycle. The interagency rules are intended to reduce regulatory compliance costs for smaller institutions, while maintaining safety and soundness protections. These rules have been in effect since February 29, 2016, pursuant to the interim final rules previously adopted by the agencies.

Under the final rules, qualifying well-capitalized and well-managed banks and savings associations with less than \$1 billion in total assets are eligible for an 18-month examination cycle. Previously, only firms with less than \$500 million in total assets were eligible for the extended examination cycle. Qualifying well-capitalized and well-managed U.S. branches and agencies of foreign banks with less than \$1 billion in total assets are also eligible.

The final rules increase the number of institutions that may qualify for an 18-month examination cycle by more than 600 to approximately 4,800 banks and savings associations. In addition, the final rules increase the number of U.S. branches and agencies of foreign banks that may qualify for an 18-month examination cycle by 30 branches and agencies, to a total of 89.

The agencies acted following passage of the Fixing America's Surface Transportation Act by Congress in late 2015 and sought comments on interim final rules on the examination cycle earlier this year. After soliciting comment on the interim final rules, the agencies have re-issued them as final rules. The final rules are identical to the interim final rules.

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Related Link: [Final Rule](#)

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