

INTERAGENCY POLICY STATEMENT ON EXAMINATION COORDINATION AND IMPLEMENTATION GUIDELINES

This statement outlines a program for coordinating examinations of insured depository institutions and inspections of their holding companies by the federal financial regulatory agencies. This program expands on existing interagency agreements, and responds to the industry's concern over the increased burden on organizations supervised by multiple regulatory agencies.

The objective of the program is to minimize disruption and avoid duplicative examination efforts and information requests, whenever possible. The significant elements of the program include:

- Coordinating the planning, timing and scope of examinations and inspections of federally insured depository institutions and their holding companies;
- Conducting joint interagency examinations or inspections, when necessary;
- Coordinating and conducting joint meetings between bank or bank holding company management and the regulators;
- Coordinating information requests; and
- Coordinating enforcement actions, when appropriate.

The program emphasizes full cooperation and coordination by the agencies in supervising large banking organizations and organizations that are in a less than satisfactory condition. Additional effort will also be made to reduce the regulatory burden on the remaining population of depository institutions.

Guidelines for implementation of the program are attached.

IMPLEMENTATION GUIDELINES

1. PURPOSE

These guidelines were developed to strengthen coordination and cooperation among the federal banking agencies in examining and supervising banking organizations and to carry out the provisions of the March 10 Interagency Policy Statement intended to minimize the disruptions and burdens associated with the examination process. The provisions are:

- Eliminate duplication in examinations by multiple agencies, unless clearly required by law;
- Increase coordination of examinations among agencies when duplication is required; and
- Establish procedures to centralize and streamline examinations in multibank organizations.

These guidelines address the coordination of the examinations by federal agencies of depository institutions and the inspections of their holding companies. To achieve the desired strengthening in the coordination of the federal agencies' examination/inspection activities, the guidelines focus on the planning, staffing, timing and conduct of examinations and inspections; the conduct of joint management meetings to discuss inspection and examination findings; and other areas of mutual concern.

2. PRIMARY SUPERVISORY AND COORDINATION RESPONSIBILITY

Examinations/inspections of a particular legal entity will be conducted by the federal regulatory agency that has primary supervisory authority for that entity. In carrying out its supervisory responsibilities for a particular entity within a banking organization, each regulatory agency will rely on examinations/inspections conducted by the primary regulator of the affiliate to the extent possible, thereby avoiding unnecessary duplication and disruption to the banking organization. In certain situations, however, it may be necessary for a regulatory agency other than the entity's primary supervisory authority to participate in the examination or inspection of the entity in order to fulfil its regulatory responsibilities. These guidelines provide procedures for handling such situations.