

Subject: OTS Integration
Date: December 8, 2011

To: Chief Executive Officers of All
National Banks, and Federal
Savings Associations, Department
and Division Heads, All Examining
Personnel, and Other Interested
Parties

Description: Supervisory Policy Integration Process

Purpose

This bulletin outlines the process that the Office of the Comptroller of the Currency (OCC) intends to follow to fully integrate the Office of Thrift Supervision (OTS) policy guidance documents (guidance) into a common set of supervisory policies that applies to both national banks and federal savings associations.

Overview

Pursuant to title III of the Dodd–Frank Wall Street Reform and Consumer Protection Act of 2010, all functions of OTS relating to federal savings associations and the rulemaking authority of the OTS relating to all federal savings associations were transferred to the OCC on July 21, 2011 (transfer date). As a result, the OCC assumed the responsibility for the ongoing supervision, examination, and regulation of federal savings associations. The legislation continues all OTS orders, resolutions, determinations, agreements, regulations, interpretive rules, other interpretations, guidelines, procedures, and other advisory materials in effect the day before the transfer date. The legislation allows the OCC to administer these documents with respect to federal savings associations, until the documents are modified, terminated, set aside, or superseded by the OCC, by a court, or by operation of law.

On July 21, 2011, the OCC issued an interim final rule with request for comments that republished, with nomenclature and other technical changes, the OTS regulations formerly found in chapter V of title 12 of the *Code of Federal Regulations*. These republished regulations became effective on July 21, 2011, and will be codified in chapter I at parts 100 through 197.¹

The OCC is embarking on a comprehensive rulemaking project to integrate, when possible, these former OTS rules with OCC rules applicable to national banks. Concurrently, the OCC has begun the integration of the more than 1,000 supervisory policies of the former OTS into the OCC policy framework. The goal is to produce a consistent supervisory approach and integrated policy platform for national banks and federal savings associations, while recognizing differences anchored in statute.

Process

The OCC is committed to evaluating former OTS guidance thoughtfully, to addressing common supervisory issues consistently, and to accommodating regulatory and statutory differences appropriately. The OCC's intent is to integrate OCC and OTS guidance as quickly and accurately as possible and in an orderly and transparent manner that minimizes burden to national banks, federal savings associations, and OCC examination staff. To achieve this objective, the OCC will group, to the extent possible, rescission notifications and other announcements related to the integration of OTS guidance, according to the two-phased process outlined in the following paragraphs. Particular topics or issues, however, may warrant immediate action and, therefore, will be addressed separately.

Phase I: This phase involves rescinding a significant number of documents. The documents rescinded in this phase will include OTS documents that

- transmitted or summarized rules, interagency guidance, or *Examination Handbook* sections (not the conveyed guidance or rule itself);²
- are no longer useful because of the elimination of the OTS or the passage of time; and/or
- duplicate existing OCC guidance.

Additionally, the OCC will rescind outdated guidance issued to national banks.

be coordinated closely with the concurrent integration of OCC and former OTS regulations. In many cases, guidance cannot be revised or combined until the revisions to the rules on which the guidance is based have been finalized. Prioritization of the work will be influenced by feedback from the OCC's supervision staff as it encounters policy differences in the day-to-day supervision of national banks and federal savings associations.

Former OTS policies and guidance remain applicable to federal savings associations until rescinded, superseded, or revised. In some cases, the OCC may amend an OTS rule, policy, or practice that is cross-referenced in more than one document or affects only a portion of a document. If overlapping guidance exists, any guidance or regulation issued by the OCC after July 21, 2011, that specifically includes federal savings associations in its scope, will prevail. If a document has not been rescinded, but a portion of the content no longer applies, the superseded portion will be grayed out electronically. Users should check the OCC Web site for current versions of all guidance.

For further information, contact the Operational Risk Division at (202) 874-5190.

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¹ See 76 FR 48950 (August 9, 2011). The OCC also issued on July 21, 2011, a final rule revising certain OCC rules that are central to internal agency functions and operations immediately upon the transfer of supervisory jurisdiction of federal savings associations.

² The underlying guidance can continue to be found on the [OCC Web Site](#) and the former [OTS Web site](#). Documents published in the *Federal Register* can be accessed through the [Federal Digital System](#).