



## How will I Be Supervised?

July 27, 2020

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The Federal Reserve System's supervisory program for state chartered member banks is tailored to the size, condition and complexity of the organization. The frequency of examinations will depend on the asset size of the bank and the prior examination rating.

### Safety and Soundness, Information Technology and Fiduciary Examinations

In most cases, Federal Reserve Bank examiners conduct integrated examinations of a state member bank's safety and soundness, information technology activities, and fiduciary operations. The following table summarizes the mandates for integrated examination schedules.

## Examination Schedule\*

Total Asset Size of the State Member Bank (SMB)**	Composite CAMELS rating of "1" or "2" from the last examination	Composite CAMELS rating of "3" from the last examination	Composite CAMELS rating of "4" or "5" from the last examination
\$0 to less than \$3 billion and \$3-\$10 billion	Full-scope on-site exam every 18 months, provided: SMB is well capitalized; SMB received a CAMELS composite rating of "1" or "2" and a management component rating of "1" or "2" at the most recent Federal Reserve or applicable state banking agency examination; SMB not subject to a formal enforcement proceeding or order by Federal Reserve or FDIC; and No person acquired control of the SMB during the preceding 12-month period in which a full-scope exam would have been required but for the 18-month exam cycle. Otherwise, full-scope exam every 12 months. May be eligible for alternate-year examination program (AEP).*** Full-scope on-site exam every 12 months. May be eligible for AEP.	Full-scope on-site exam every 12 months conducted by the Federal Reserve or jointly with the relevant state banking agency. A targeted exam conducted by the Federal Reserve or jointly with the state banking agency is also required annually for deteriorating institutions. ****	Two exams are required every 12 months. One of the two exams must be a full-scope exam. Both exams must be conducted by the Federal Reserve or jointly with the relevant state banking agency.
Greater than \$10 billion and less than \$50 billion	Full-scope on-site exam every 12 months. Some SMBs rated CAMELS composite "1" and "2" may be eligible for an AEP. The SMB is subject to continuous monitoring, and exam activities are intensified based on the severity of issues at the bank.		None

\$50 billion and above	Full-scope on-site exam every 12 months. The full-scope exam must be led by the Federal Reserve and may be joint with the relevant state banking agency. The SMB is subject to continuous monitoring, and exam activities are intensified based on the severity of issues at the bank.	None	None
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\*This table provides a brief summary of examination (exam) frequency requirements for SMBs. See the Federal Reserve Board's Regulation H, (12 CFR 208.64(b)), and Section 1000.1 of the *Commercial Bank Examination Manual* for more information on SMB exam frequency and coordination requirements.

\*\*Exams of SMBs with more than \$10 billion are typically integrated into the consolidated supervision program at the bank holding company.

\*\*\*AEPs generally allow exams conducted in alternating years or alternating 18-month periods, as appropriate, to be conducted with the state banking agency along with Federal Reserve examiner presence. AEPs are implemented on a state-by-state basis. Consult the appropriate Reserve Bank for further information regarding eligibility and availability of an AEP in a particular state.

\*\*\*\*The Federal Reserve typically identifies deteriorating banks through off-site surveillance information. See Section 1020.1 of the *Commercial Bank Examination Manual* for more information.

## Compliance/Community Reinvestment Act Examination

As shown in the tables below, the frequency of consumer compliance and Community Reinvestment Act (CRA) examinations depends on the previous examination ratings and the asset size of the institution. For institutions with at least a satisfactory rating, the frequency of examination is directed by the CRA. The CRA and compliance examinations are conducted simultaneously.

### Frequency for Banks with Assets <\$350 Million

Compliance Rating	CRA Rating	Next Compliance Examination	Next CRA Examination
1 or 2	Outstanding	60 months	No earlier than 60 months
1 or 2	Satisfactory	48 months	No earlier than 48 months
1 or 2	Needs to Improve or Substantial Noncompliance	48 months	12 months
3, 4 or 5	Outstanding	12 months	No earlier than 60 months
3, 4 or 5	Satisfactory	12 months	No earlier than 48 months
3, 4 or 5	Needs to improve or Substantial Noncompliance	12 months	12 months

### Frequency for Banks with Assets > \$350 Million and < \$1 Billion

Compliance Rating	CRA Rating	Next Compliance Examination	Next CRA Examination
1 or 2	Outstanding or Satisfactory	36 months	36 months
1 or 2	Needs to Improve or Substantial Noncompliance	36 months	12 months
3, 4 or 5	Outstanding or Satisfactory	12 months	24 months
3, 4 or 5	Needs to Improve or Substantial Noncompliance	12 months	12 months

### Frequency for Banks with Assets > \$1 Billion

Compliance Rating	CRA Rating	Next Compliance Examination	Next CRA Examination
1 or 2	Outstanding or Satisfactory	24 months	24 months
1 or 2	Needs to Improve or Substantial Noncompliance	24 months	12 months
3, 4 or 5	Outstanding or Satisfactory	12 months	24 months
3, 4 or 5	Needs to Improve or Substantial Noncompliance	12 months	12 months

## Learn More...

- **SR 00-03** Information Technology Examination Frequency
  - **SR 01-05** Examination of Fiduciary Activities
  - **SR 18-07** Updates to the Expanded Examination Cycle for Certain State Member Banks and U.S. Branches and Agencies of Foreign Banking
  - **CA 13-20** Consumer Compliance and Community Reinvestment Act (CRA) Examination Frequency Policy
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