



FEDERAL RESERVE BANK *of* KANSAS CITY

December 5, 2016

Uniform Interagency Consumer Compliance Rating System

To the Officers and Managers in Charge of Consumer Compliance of Each Tenth District State Member Bank:

The Federal Financial Institutions Examination Council (FFIEC) recently announced the issuance of an updated Uniform Interagency Consumer Compliance Rating System (CC Rating System). The new CC Rating System is designed to better reflect current consumer compliance supervisory approaches and to more fully align the CC Rating System with current risk-based, tailored examination processes. Emphasis is placed on the importance of institutions' compliance management systems (CMS), and their compliance risk management practices designed to manage consumer compliance risk, support compliance, and prevent consumer harm. The revisions to the CC Rating System do not set new or higher supervisory expectations for financial institutions and their adoption will represent no additional regulatory burden.

The updated CC Rating System is based upon a scale of 1 through 5; reflecting a measure of the effectiveness of an institution's CMS to ensure compliance with consumer protection laws and regulations and reduce the risk of harm to consumers. A rating of 1 represents the highest rating with the lowest level of supervisory concern, while a rating of 5 represents the lowest rating with the most critically deficient level of performance and the highest degree of supervisory concern. Federal Reserve examiners will apply this new CC Rating System to all consumer compliance examinations that begin on or after March 31, 2017.

The CC Rating System, comprised of guidance and definitions, as well as a copy of the CA 16-8 letter (supersedes CA letter 80-15 "Letter Transmitting the Interagency Compliance Rating System") are available on the Board of Governors of the Federal Reserve System's public web site at: <https://www.federalreserve.gov/bankinfo/reg/caletters/caltr1608.htm>. Please direct any questions concerning the updated CC Rating System to the Consumer Affairs Department of the Federal Reserve Bank of Kansas City at (800) 333-1010, extension 8812802, or via email to Sandy.Williams@kc.frb.org.

Sincerely,

Trina Parsley
Assistant Vice President