

Policy Statement on Interagency Notification of Formal Enforcement Actions

June 12, 2018

The Federal Banking Agencies (FBAs)¹ are issuing this policy statement² to promote notification of, and coordination on, formal enforcement actions among the FBAs at the earliest practicable date. This statement replaces the existing policy statement³ to incorporate and reflect current practices and is not intended as a substitute for informal communication that routinely occurs among the FBAs in advance of an enforcement action, including verbal notification of pending enforcement matters to officials and staff with supervisory and enforcement responsibility for the affected institution.

When an FBA determines it will take a formal enforcement action against any federally insured depository institution, depository institution holding company, non-bank affiliate, or institution-affiliated party, it should evaluate whether the enforcement action involves the interests of another FBA. Examples of such interests include unsafe or unsound practices or significant violations of law by an insured depository institution, non-bank affiliate, or depository institution holding company or misconduct by an institution-affiliated party that may have significant connections with an institution regulated by another FBA.

If it is determined that one or more other FBAs have an interest in the enforcement action, the FBA proposing the enforcement action should notify the other FBA(s). Notification should be provided at the earlier of the FBA's written notification to the federally insured depository institution, depository institution holding company, non-bank affiliate, or institution-affiliated party against which the FBA is considering an enforcement action or when the appropriate responsible agency official, or group of officials, determines that formal enforcement action is expected to be taken.

The scope of the information shared by the notification may depend on the gravity of the interests of the other FBA(s) and be determined on a case-by-case basis by the FBA providing the notification. The information shared, however, should be appropriate to allow the other FBA(s) to take necessary action in examining or investigating the financial institution or institution-affiliated party over which they have jurisdiction.

If two or more FBAs consider bringing a complementary action (e.g., action involving a bank and its parent holding company), those FBAs should coordinate the preparation, processing, presentation, potential penalties, service, and follow-up of the enforcement action.

¹ The FBAs include the Board of Governors of the Federal Reserve System (Board); Federal Deposit Insurance Corporation (FDIC); and Office of the Comptroller of the Currency (OCC).

² See 83 FR 27371 (Jun. 12, 2018).

³ See 62 FR 7782 (Feb. 20, 1997).