

Proposal: 1681 Request Information-Application Uniform Financial Institutions Rating System(CAMELS Ratings)

Description:

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Comment ID: 137133

From: The Village Bank, Kathleen Cook

Proposal: 1681 Request Information-Application Uniform Financial Institutions Rating System(CAMELS Ratings)

Subject: OP-1681 - Request for Information on Application of the Uniform Financial Rating System

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Comments:

Date:Jan 09, 2020

Proposal:Request for Information on Application of the Uniform Financial Institutions Rating System [OP-1681]

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Your comment:In regards to the RFI pertaining to UFIRA more commonly know as the (CAMELS) rating system; consistency throughout field examiners is all but impossible without set levels of achievement. Capital is the only component with any sort of set minimum ratio. Which it too is subject to a field examiner as to the rating of 1 to 5. I take major issue with the (E) for earnings. A bank certainly needs to make money but I don't think it should be down graded by a field examiner because a general peer group has a higher ROA. A small community bank whose Directorate chooses to remain conservative in a depressed lending area should not be subject to criticism and down grades in an exam. This in some cases could lead to the impression the bank should take on riskier lending or extended investing in its portfolio just to appease an examiner. Income should be in a category of satisfactory and above that a concern of it's shareholders.