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Risk Governance: Visual Memorandum on Guidelines Proposed by the OCC

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The OCC has proposed a set of enforceable and specific risk governance guidelines to formalize its heightened expectations for large national banks and federal savings associations. The risk governance guidelines would set new, and much higher, minimum standards for the design and implementation of a bank's own risk governance framework and the oversight of such framework by the bank's board of directors.

State banks that are not subject to the OCC's proposed risk governance guidelines should still pay attention because the same or similar principles will likely be applied by the Federal Reserve and the FDIC to large state member and non-member banks. The OCC may also apply the risk governance guidelines to a mid-size bank under its primary supervision if it determines that the mid-size bank's operations are highly complex or otherwise present a heightened risk.

Using visuals, flowcharts, checklists and diagrams, this memorandum discusses key aspects of the OCC's proposed risk governance guidelines, including their interaction with Dodd-Frank enhanced risk management standards for large bank holding companies and foreign banking organizations.

Read the full update

If you have any questions regarding the matters covered in this publication, please reach out to any of the lawyers listed below or your usual Davis Polk contact.

Luigi L. De Ghenghi
+1 212 450 4296
luigi.deghenghi@davispolk.com

Margaret E. Tahyar
+1 212 450 4379
margaret.tahyar@davispolk.com