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Risk Governance: Visual Memorandum on Final Guidelines Issued by the OCC

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The OCC has issued final risk governance guidelines that formalize its heightened expectations for large national banks and federal savings associations. The risk governance guidelines 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. The guidelines are enforceable under the OCC's statutory authority to prescribe operational and managerial standards for national banks and federal savings associations.

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.

Using visuals, flowcharts, checklists and diagrams, this memorandum discusses key aspects of the OCC's final risk governance guidelines, including their interaction with Dodd-Frank enhanced prudential 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.

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