



Regulatory Alert

Financial Services Regulatory Insight Center



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OCC outlines priorities for bank supervision in FY2019

Key points

- OCC priorities for bank supervision in FY2019 provide the foundation for policy initiatives and risk-based supervisory strategies, including potential horizontal reviews.
- OCC will focus on a range of issues, including cybersecurity; credit risk; Bank Secrecy Act/anti-money laundering (AML) compliance; and internal controls.

Summary

The Office of the Comptroller of the Currency (OCC) [released](#) its bank supervision operating plan for the fiscal year 2019, which begins October 1. The plan provides the foundation for policy initiatives and risk-based supervisory strategies for individual national banks, federal savings associations, federal branches, and federal agencies (collectively, banks) and technology service providers. The 2019 plan aligns with [The OCC Strategic Plan, Fiscal Years 2019–2023](#) and the National Risk Committee's risk priorities as detailed in its most recent [Semiannual Risk Perspective](#) report.

The OCC's priority objectives are similar for the Large Bank Supervision and Midsize and Community Bank Supervision departments. The risk areas that the supervisory strategies will focus on are:

- **Cybersecurity and operational resiliency**, with an emphasis on maintaining information technology systems and remediating identified concerns.
- **Loans and credit risk**, including commercial and retail credit loan underwriting, concentration risk management, credit risk management, and the allowance for loan and lease losses.

- **Bank Secrecy Act/anti-money laundering (AML) compliance**, with a focus on determining whether AML compliance programs keep pace with changing risk environments and regulatory developments.
- **Compliance-related change management processes**, with emphasis on implementation of regulatory requirements including the Home Mortgage Disclosure Act, the integrated mortgage disclosure requirements under the Truth in Lending Act and Real Estate Settlement Procedures Act, and the Military Lending Act.
- **Internal controls and end-to-end processes necessary for product and service delivery**, potentially emphasizing implementation of new or revised products or strategic partnerships.

The OCC's supervision departments will also conduct various horizontal risk assessments during the fiscal year and may direct horizontal assessments during the supervisory cycle. The OCC states the supervisory priorities may change in response to emerging risks; the agency will provide periodic updates about supervisory priorities and horizontal risk assessments in the Semiannual Risk Perspective report.



Amy Matsuo
Principal and National Lead

Regulatory Insights

T: 919-664-7302

E: amatsuo@kpmg.com

Contributing authors:

Amy Matsuo, Principal and National Lead,
Regulatory Insights

Karen Staines, Director, Financial Services
Regulatory Insight Center

Phil MacFarlane, Associate Director, Financial
Services Regulatory Insight Center

kpmg.com/socialmedia



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