

FDIC Advisory Committee on Community Banking

October 28, 2020

Proposed Changes to the Supervisory Appeals Process

Overview of Current Supervisory Appeals Process

Internal process intended to:

- Allow appeals of material supervisory determinations
- Ensure appeals are heard and decided in a timely manner

Overview of Current Supervisory Appeals Process

- Good-faith effort at Regional level
- Request for review to Division Director
- Appeal to Supervision Appeals Review Committee (“SARC”)

Recent Efforts

- 2019
 - Webinar and in-person listening sessions with interested parties
- 2020
 - Published proposed changes to appeals process - see Federal Register Notice, [85 FR 54377](#) (Sept. 1, 2020)
 - Creates independent, standalone office to review appeals
 - Modifies existing appeals timeframes if enforcement action being considered

Current vs. Proposed Structure

Current

Review by SARC, a Board-level committee comprised of:

- Chairperson (one of the FDIC's three inside directors)
- Deputy / special assistant to each of the other inside directors
- General Counsel (non-voting)

Proposed

Review by Office of Supervisory Appeals:

- Independent office within the FDIC
- Staffed by individuals with bank supervisory or examination experience
- May serve staggered term appointments
- May be employed on a part-time basis, depending upon workload

2020 Proposal

- Initial steps in appeals process remain the same (i.e., filing a request for review with the appropriate Division Director)
- Appeal of Division Director's decision considered by 3-member panel
- Division Director and Ombudsman may submit views
- Oral presentations, if requested

2020 Proposal

Appeals Relating to Enforcement Actions

- Determinations underlying formal enforcement actions generally not appealable
- However, appeal rights become available if formal enforcement action not pursued in certain timeframes
- Proposal would change timeframes to improve administration of the process, including the time to negotiate settlement