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

<table>
<thead>
<tr>
<th>Current</th>
<th>Proposed</th>
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<tbody>
<tr>
<td>Review by SARC, a Board-level committee comprised of:</td>
<td>Review by Office of Supervisory Appeals:</td>
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<tr>
<td>• Chairperson (one of the FDIC’s three inside directors)</td>
<td>• Independent office within the FDIC</td>
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<td>• Deputy / special assistant to each of the other inside directors</td>
<td>• Staffed by individuals with bank supervisory or examination experience</td>
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<td>• General Counsel (non-voting)</td>
<td>• May serve staggered term appointments</td>
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<td>• May be employed on a part-time basis, depending upon workload</td>
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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