
**Federal Deposit Insurance Corporation
Federal Reserve Board of Governors
Office of the Comptroller of the Currency**

Joint Release

For immediate release

February 19, 2016

**Federal Banking Agencies Expand Number of Banks and Savings Associations
Qualifying for 18-Month Examination Cycle**

WASHINGTON—Federal banking agencies today increased the number of small banks and savings associations eligible for an 18-month examination cycle rather than a 12-month cycle. The changes are intended to reduce regulatory compliance costs for smaller institutions, while still maintaining safety and soundness protections.

Under the interim final rules, qualifying well-capitalized and well-managed banks and savings associations with less than \$1 billion in total assets may now be eligible for an 18-month examination cycle. Previously, firms with less than \$500 million in total assets could be eligible for the extended examination cycle. The examination cycle changes may also apply to qualifying well-capitalized and well-managed U.S. branches and agencies of foreign banks with less than \$1 billion in total assets.

Regulators consider institutions to be well-capitalized and well-managed if they have a composite rating of 1 or 2—the top ratings in the five-point scale indicating the safety and soundness of a bank or savings association. The changes were implemented by the Federal Reserve Board, the Federal Deposit Insurance Corporation, and the Office of the Comptroller Currency.

The rules increase the number of institutions that may qualify for an 18-month examination cycle by approximately 617, to nearly 5,000 banks and savings associations. In addition, the rules increase the number of U.S. branches and agencies of foreign banks that may qualify for an 18-month examination cycle by 26 branches and agencies, to a total of 89.

The agencies acted following passage of the Fixing America's Surface Transportation Act by Congress in late 2015. Comments will be accepted for 60 days from publication in the *Federal Register*.

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(FDIC: PR-11-2016)

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