

**Statement by Martin J. Gruenberg on the Interim Final Rule with Request for Comments:
Expanded Exam Cycle for Certain Small Insured Depository Institutions and U.S.
Branches and Agencies of Foreign Banks
January 21, 2016**

As staff described, the Board is today considering a joint interim final rule (“IFR”) to implement the recent statutory changes that permit the federal banking agencies -- the Federal Reserve, the OCC, and the FDIC -- to expand the availability of a longer exam cycle for well capitalized, well rated, and well managed insured depository institutions with assets of up to \$1 billion.

Currently, institutions with assets under \$500 million meeting these standards are eligible for an 18-month exam cycle rather than a 12-month exam cycle. The statute raised the size threshold for the 18-month cycle from \$500 million to \$1 billion for 1-rated banks. Additionally, the statute authorizes the agencies to extend this change to 2-rated institutions that have assets between \$200 million and \$1 billion and that meet other qualifying criteria, if the agencies determine that the higher threshold would be consistent with safety and soundness. The agencies have concluded that extending this change to 2-rated banks is merited and have agreed to make it part of the interim final rule.

The banking agencies supported these changes to the Federal Deposit Insurance Act as a reasonable step to take as part of regulatory burden relief efforts. I am pleased Congress acted swiftly to adopt the changes and that the agencies have been able to move expeditiously to implement them through this Interim Final Rule. I would like to thank staff at all the agencies for their work to bring this case forward.