Investigations and Visitations

Investigations

Consumer Complaints

Consumer complaint investigations are generally handled by Consumer Response Center staff. Examiners will be requested to assist if an on-site review is determined to be necessary. As with all sensitive matters, close cooperation between staff in the field office, region and Washington is essential to a prompt and appropriate resolution of a complaint.

Revised FDIC procedures for investigating complaints of illegal discrimination were circulated in February 2003, and replace those previously found in both the Compliance Examination Manual and the Complaint and Inquiry Manual. The revised procedures must be used by all DSC staff involved in a discrimination investigation.

Although directed at discrimination complaints, the general approach of the revised investigation procedures may be applied to other types of complaints.

Enforcement Actions

To obtain information or evidence necessary to support an enforcement action, a formal investigation may be conducted pursuant to Section 10(c) of the FDI Act. Through such an investigation administrative subpoenas may be issued for information or testimony. Orders of Investigation must be developed in cooperation with the Legal Division, which shares delegated authority for this process.

Visitations

Introduction

Visitations are usually targeted events aimed at specific operational or regulatory areas, but can also focus on compliance management systems that require more than the normal level of supervisory attention. Visitations are conducted by the FDIC to review the compliance posture of an institution that is newly chartered, involved in a recent or proposed merger, or recently converted to state nonmember status; to review an institution's progress on corrective actions since its last examination; to ascertain an institution's compliance with an enforcement action; and to investigate problems brought to the FDIC's attention.

Conducting a Visitation

Visitations can be scheduled at any time at the discretion of Regional Office management.

Visitations may be expanded to a regular compliance/CRA examination with the Examiner-in-Charge's recommendation and Regional Office management's concurrence. This recommendation should be considered in situations where:

- Significant deficiencies are noted in a financial institution's compliance management system or CRA policies or procedures;
- Significant noncompliance is noted particularly regarding previously criticized areas; or
- Significant noncompliance with an informal or formal enforcement action is noted.

Regional compliance management may change an institution's compliance rating if interim events, visitations, investigations or similar situations result in finding that the assigned rating is no longer suitable and that a different level of supervisory concern is warranted. Ratings may be moved up or down. Decisions to change a rating must be based on a review that considers whether the institution's compliance with consumer protection and civil rights statutes and regulations display weaknesses requiring special supervisory attention and which are cause for more than a normal degree of supervisory concern. Any change must be carefully documented, and the bank should be notified of the change and the basis for it.

General Visitation Procedures

1. Perform appropriate off-site review and analysis procedures prior to the commencement of the on-site visitation. Tailor the visitation to address the compliance deficiencies or concerns identified, or the matters under review. A Risk Profile and Scope Memorandum is not required.
2. Notify the institution of the date of the visitation.
3. Conduct the on-site visitation. An initial meeting with management should define the scope of the visitation.
4. If applicable, prepare a list of violations. Examiners will use the violations pages from the Report of Examination and include these pages with the visitation report submitted to the Regional Office.
5. Consult as appropriate or required.
6. Conduct a closing meeting with management and, if the situation warrants, a meeting with the Board. Leave a copy of the violations list with management.

Preparing the Visitation Report

1. Prepare Page 1 (Report of Visitation — Compliance) (required).
   - The financial institution must receive, either in the visitation report, report of examination, or both, a discussion of compliance with the provisions of an outstanding enforcement action.
   - Use topical headings, such as those used to prepare Page 1 comments for the Compliance Report of Examination.
2. Prepare Violations Pages (if applicable).

3. Prepare Supervisory Comments (Page A,– Supervisory Section) (optional)
   - Include recommendation to the Regional Office on whether to remove or retain reporting requirements contained within outstanding formal or informal enforcement actions (if not included on Page 1).

4. Forward the Report of Visitation to the review staff designated by Regional Office management.

5. Update all appropriate SOURCE data fields, and ensure that all SOURCE submission requirements are met.

6. Regional review staff will review the Report of Visitation. At the discretion of the Regional Office management, visitation findings will be forwarded to the financial institution by either of the following:
   - Transmittal letter only; or
   - Transmittal letter and Report of Visitation.

Documenting Visitation Findings

Appropriate workpapers must be completed for applicable areas reviewed during each visitation.