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Washington, DC 20548

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October 11, 2016

The Honorable Richard Shelby  
Chairman  
The Honorable Sherrod Brown  
Ranking Member  
Committee on Banking, Housing, and Urban Affairs  
United States Senate

The Honorable Jeb Hensarling  
Chairman  
The Honorable Maxine Waters  
Ranking Member  
Committee on Financial Services  
House of Representatives

Subject: *Department of the Treasury, Office of the Comptroller of the Currency: OCC Guidelines Establishing Standards for Recovery Planning by Certain Large Insured National Banks, Insured Federal Savings Associations, and Insured Federal Branches; Technical Amendments*

Pursuant to section 801(a)(2)(A) of title 5, United States Code, this is our report on a major rule promulgated by the Department of the Treasury, Office of the Comptroller of the Currency (OCC) entitled “OCC Guidelines Establishing Standards for Recovery Planning by Certain Large Insured National Banks, Insured Federal Savings Associations, and Insured Federal Branches; Technical Amendments” (RIN: 1557-AD96). We received the rule on September 30, 2016. It was published in the *Federal Register* as a final rule and guidelines on September 29, 2016. 81 Fed. Reg. 66,791.

The final rule and guidelines establish standards for recovery planning by insured national banks, insured federal savings associations, and insured federal branches of foreign banks with average total consolidated assets of \$50 billion or more. OCC is issuing this rule as an appendix to its safety and soundness standards regulations, and OCC determined it will be enforceable by the terms of the federal statute that authorizes OCC to prescribe operational and managerial standards for national banks and federal savings associations. This rule also adopts technical changes to the safety and soundness standards regulations that are made necessary by the addition of the rule.

Enclosed is our assessment of OCC’s compliance with the procedural steps required by section 801(a)(1)(B)(i) through (iv) of title 5 with respect to the rule. Our review of the procedural steps taken indicates that OCC complied with the applicable requirements.

If you have any questions about this report or wish to contact GAO officials responsible for the evaluation work relating to the subject matter of the rule, please contact Shirley A. Jones, Assistant General Counsel, at (202) 512-8156.

signed

Robert J. Cramer  
Managing Associate General Counsel

Enclosure

cc: Shaquita Merritt  
Program Specialist, LRAD  
Office of the Comptroller of the Currency  
Department of the Treasury

REPORT UNDER 5 U.S.C. § 801(a)(2)(A) ON A MAJOR RULE  
ISSUED BY THE  
DEPARTMENT OF THE TREASURY  
OFFICE OF THE COMPTROLLER OF THE CURRENCY  
ENTITLED  
“OCC GUIDELINES ESTABLISHING STANDARDS FOR  
RECOVERY PLANNING BY CERTAIN LARGE INSURED  
NATIONAL BANKS, INSURED FEDERAL SAVINGS ASSOCIATIONS,  
AND INSURED FEDERAL BRANCHES; TECHNICAL AMENDMENTS”  
(RIN: 1557-AD96)

(i) Cost-benefit analysis

In its submission to us, the Office of the Comptroller of the Currency (OCC) indicated that it prepared an analysis of the costs and benefits of this final rule and guidelines. As described below, OCC determined that the rule contains an information collection requirement under the Paperwork Reduction Act that will impose an estimated burden of 188,575 hours. OCC believes that the planning required by this rule should allow large, complex institutions to be able to respond quickly to and recover from the financial effects of severe stress on the institution. According to OCC, a benefit of this rule is that an institution's recovery planning should be a dynamic, ongoing process that complements its risk governance functions and supports its safe and sound operation. The process of developing and maintaining a recovery plan under this rule also should cause a covered bank's management and its board to enhance their focus on risk governance with a view toward lessening the negative impact of future events according to OCC.

Additionally, in determining the effective date and administrative compliance requirements for the rule, OCC considered (1) any administrative burdens the rule would place on depository institutions, including small depository institutions and customers of depository institutions; and (2) the benefits of such regulations, including the requests of commenters for a phased-in compliance period. After considering these burdens and benefits, OCC stated that it recognized the need for flexibility with respect to the timing of management's annual recovery plan review and therefore included phased-in compliance dates.

(ii) Agency actions relevant to the Regulatory Flexibility Act (RFA), 5 U.S.C. §§ 603-605, 607, and 609

OCC certified that this final rule and guidelines will not have a significant economic impact on a substantial number of small entities.

(iii) Agency actions relevant to sections 202-205 of the Unfunded Mandates Reform Act of 1995, 2 U.S.C. §§ 1532-1535

OCC determined that this final rule and guidelines will not result in expenditures by state, local, and tribal governments, in the aggregate, or by the private sector, of \$100 million or more in any one year.

(iv) Other relevant information or requirements under acts and executive orders

Administrative Procedure Act, 5 U.S.C. §§ 551 et seq.

On December 17, 2015, OCC published a proposed rule. 80 Fed. Reg. 78,681. OCC received six comment letters, to which it responded to in the final rule.

Paperwork Reduction Act (PRA), 44 U.S.C. §§ 3501-3520

OCC determined that this final rule and guidelines includes collections of information pursuant to the Act entitled “OCC Guidelines Establishing Standards for Recovery Planning by Certain Large Insured National Banks, Insured Federal Savings Associations, and Insured Federal Branches.” OCC estimates that it will have a total burden of 188,575 hours and has submitted it to the Office of Management and Budget (OMB) for review.

Statutory authorization for the rule

OCC promulgated this final rule and guidelines under the authority of section 39 of the Federal Deposit Insurance Act. 12 U.S.C. § 1831p-1.

Executive Order No. 12,866 (Regulatory Planning and Review)

The Order does not apply to independent regulatory agencies.

Executive Order No. 13,132 (Federalism)

The Order does not apply to independent regulatory agencies.