

Office of the Comptroller of the Currency

Program Summary by Budget Activity

Dollars in Thousands

Budget Activity	FY 2021	FY 2022	FY 2023	FY 2022 to FY 2023
	Actual	Revised Estimate	Estimate	% Change
Supervise	\$978,890	\$1,071,065	\$1,078,520	0.70%
Regulate	\$105,202	\$115,109	\$115,910	0.70%
Charter	\$27,887	\$30,513	\$30,726	0.70%
Total Cost of Operations	\$1,111,979	\$1,216,687	\$1,225,156	0.70%
Full-time Equivalents (FTE)	3,491	3,555	3,555	0.00%

Summary

The Office of the Comptroller of the Currency (OCC) was created by Congress in 1863 to charter national banks; oversee banking institutions; and ensure national banks are safe and sound, competitive and profitable, and capable of serving in the best possible manner the banking needs of their customers. As of September 30, 2021, the OCC supervised 797 national bank charters, 52 federal branches and agencies, and 269 federal savings associations with approximately \$14.9 trillion in financial institution assets.

Effective supervision and a comprehensive regulatory framework are the key tools that the OCC uses to ensure that national banks and federal savings associations operate in a safe and sound manner and that they provide fair access to financial services and fair treatment of their customers. A robust chartering program allows new entrants into the financial services sector while ensuring that they have the necessary capital, managerial, and risk management processes to conduct activities in a safe and sound manner.

The OCC's nationwide staff of bank examiners conducts on-site and off-site reviews of banks and provides sustained supervision of these institutions' operations. Examiners have used enhanced off-site tools and processes during the pandemic to support their supervision responsibilities. Examiners analyze asset quality, capital adequacy, earnings, liquidity, and sensitivity to market risk for all banks, and assess compliance with federal consumer protection laws and regulations. Examiners also evaluate management's ability to identify and control risk and assess banks' performance in meeting the credit needs of the communities in which they operate, pursuant to the Community Reinvestment Act (CRA).

In supervising banks, the OCC: 1) approves or denies applications for new charters, branches, capital, or other changes in corporate or banking structure; 2) takes supervisory and enforcement actions; 3) removes and prohibits officers and directors, negotiate agreements to change banking practices, and issue cease-and-desist orders as well as Civil Money Penalties (CMPs); 4) issues rules and regulations, legal interpretations, supervisory guidance, and corporate decisions governing investments, lending, and other practices.

The OCC's operations are funded primarily (approximately 97 percent) from semiannual assessments levied on national banks and federal savings associations. Revenue from investments in Treasury securities and other income comprise the remaining three percent.

Legislative Proposals

OCC has no legislative proposals.

Performance Highlights

Budget Activity	Performance Measure	FY 2019	FY 2020	FY2021	FY 2022	FY 2023
		Actual	Actual	Actual	Target	Target
Supervise	Percentage of National Banks and Federal Savings Associations with Composite CAMELS Rating 1 or 2	96	96	96	90	90
Supervise	Percentage of National Banks and Federal Savings Associations That Are Categorized as Well Capitalized	98	95	99	95	95
Supervise	Percentage of National Banks and Federal Savings Associations with Consumer Compliance Rating of 1 or 2	98	98	98	94	94
Supervise	Rehabilitated National Banks and Federal Savings Associations as A Percentage Of Problem National Banks One Year Ago (CAMEL 3,4, or 5)	15	23	28	Disc	Disc
Supervise	Total OCC Costs Relative to Every \$100,000 in Bank and Federal Savings Associations Assets Regulated (\$)	8.07	7.78	6.79	7.37	7.37
Charter	Percentage of Licensing Applications and Notices Completed within Established Timeframes	99	98	98	95	95

Key: Disc-Discontinued

Description of Performance

The OCC charters, regulates and supervises all national banks and federal savings associations, as well as supervises federal branches and agencies of foreign banks. The primary goal of the OCC's Supervise Program is to ensure that these institutions operate in a safe and sound manner and in compliance with laws requiring fair treatment of their customers and fair access to credit and financial products. The OCC also monitors risks and threats to the stability of the national banking system through regular examinations of supervised institutions and other monitoring.

Composite Capital Adequacy, Asset Quality, Management, Earnings, Liquidity, and Sensitivity (CAMELS) rating reflects banks' financial condition. As of December 31, 2021, 96 percent of national banks and federal savings associations had composite CAMELS rating of either 1 or 2. The OCC strives for timely and effective approval of corporate applications to complete corporate transactions and introduce new financial products and services. The OCC completed 99 percent of applications and notices within established timeframes as of December 31, 2021. The OCC's early identification and intervention with problem financial institutions can lead to rehabilitation. As of September 30, 2021, 28 percent of national banks and federal savings associations with composite CAMELS ratings of 3, 4, or 5 one year prior improved ratings to either 1 or 2. There were no national bank or federal savings association failures in FY 2021.