

Examination and Visitation Frequency

Institutions supervised by the FDIC are examined at intervals established by FDIC policy approved by the Board of Directors. Generally, newly chartered and insured institutions supervised by the FDIC are examined at intervals outlined in the Initial Examination Frequency Schedule during the first five years of operation. All other institutions are examined at intervals outlined in the Standard Examination Frequency Schedule which sets examination intervals by an institution's size and the ratings assigned during the most recent previous compliance examination and CRA evaluation.

When scheduling an examination, the objectives are to:

- Target examinations and supervisory efforts where the need is greatest
- Appropriately allocate examination resources
- Conduct concurrent examinations, when requested by the bank, if practical.

Examination and Visitation Frequency

The Initial Examination Frequency Schedule, which includes required visitations, is presented below in Table 1. The Standard Examination Frequency Schedule for institutions with total assets of \$250 million or less is presented below in Table 2. The Standard Examination Frequency Schedule for institutions with total assets of greater than \$250 million is presented below in Table 3. Visitations can be scheduled at any time at the discretion of Regional Office Management.

The Standard Examination Frequency Schedule incorporates changes required by the Gramm-Leach-Bliley Act of 1999 (GLBA). The GLBA established intervals between

CRA examinations at favorably-rated insured depository institutions with aggregate assets of \$250 million or less. More specifically, institutions with aggregate assets of \$250 million or less and a CRA rating of "Outstanding" are subject to a CRA examination no more than once every 60 months. Institutions with aggregate assets of \$250 million or less and a "Satisfactory" CRA rating are subject to a CRA examination no more than once every 48 months. This schedule also facilitates concurrent compliance and CRA examinations.

Concurrent Examinations

Concurrent compliance/CRA, safety and soundness, and specialty examinations should be conducted to accommodate the preferences of the bank, unless to do so would be impractical or inefficient. The preferences of an institution(s) that make up a Case (related financial institutions managed as a group) and the examination frequency requirements are important factors to consider when developing a Case examination plan.

References

DCA RD Memo 00-001: Revisions to the Compliance and CRA Examination Frequency Schedule

DCA RD Memo 97-013: Financial Institution Supervision

DSC RD Memo 04-031: Compliance Examination Procedures in Multi-Bank Holding Company Environments

DSC RD Memo 05-039: Relationship Manager Program Implementation

DSC RD Memo 09-035: Deposit Insurance Application Processing and De Novo Institution Supervision and Examination Guidance

II. Compliance Examinations — Examination and Visitation Frequency

Examination Frequency				
Table 1 — Initial Examination Frequency Schedule for Newly Chartered and Insured Institutions*				
Months In Operation	Compliance Examination/ CRA Evaluation	Compliance Only Examination	Visitation	
0 – 12	✓ **			
12 – 24			✓	
24 – 36		✓		
36 – 48			✓	
48 – 60	✓			
60 +	Use the appropriate Standard Examination Frequency Schedule			
<p>* Notes: (1) De novo institutions that are subsidiaries of existing holding companies are not subject to the schedule. However, the Regional Director has the discretion to apply the schedule to those institutions. (2) An institution that is in its second year of operation on August 26, 2009 will be subject to the schedule as it is set out for year two through year four, with a full-scope Compliance examination and CRA evaluation to be conducted in year five. (3) An institution in its fifth year of operation on August 26, 2009 will be subject to a full-scope Compliance examination and CRA evaluation. ** Full-scope examination and evaluation.</p>				
Table 2 — Standard Examination Frequency Schedule, Institutions with Total Assets of \$250 Million or Less CRA/Compliance Examination Frequency (in months)				
CRA Rating	Outstanding	Satisfactory	Needs to Improve	Substantial Noncompliance
Compliance Rating 1	60 – 72 (CRA) 30 – 36 (Compliance)	48 – 60 (CRA) 24 – 30 (Compliance)	12 – 24	12
2	60 – 72 (CRA) 30 – 36 (Compliance)	48 – 60 (CRA) 24 – 30 (Compliance)	12 – 24	12
3	60 – 72 (CRA) 12 – 24 (Compliance)	48 – 60 (CRA) 12 – 24 (Compliance)	12 – 24	12
4	60 – 72 (CRA) 12 (Compliance)	48 – 60 (CRA) 12 (Compliance)	12	12
5	60 – 72 (CRA) 12 (Compliance)	48 – 60 (CRA) 12 (Compliance)	12	12
Table 3 — Standard Examination Frequency Schedule, Institutions with Total Assets of Greater Than \$250 Million CRA/Compliance Examination Frequency (in months)				
CRA Rating	Outstanding	Satisfactory	Needs to Improve	Substantial Noncompliance
Compliance Rating 1	24 – 36	24 – 36	12 – 24	12
2	24 – 36	24 – 36	12 – 24	12
3	12 – 24	12 – 24	12 – 24	12
4	12	12	12	12
5	12	12	12	12