Office of the
Comptroller of the Currency

MEMORANDUM

To: Public Comment File – OCC Guidelines Establishing Recovery Planning by Certain Large Insured National Banks, Insured Federal Savings Associations, and Insured Federal Branches

From: Andra Shuster, Senior Counsel, Bank Advisory

Date: September 25, 2024

Subject: Summary of Discussion with the American Bankers Association (ABA), the Bank Policy Institute (BPI), and outside counsel

On September 25, 2024, OCC staff spoke with representatives of the ABA, BPI, and their outside counsel regarding the notice of proposed rulemaking that would make changes to the OCC Guidelines Establishing Recovery Planning by Certain Large Insured National Banks, Insured Federal Savings Associations, and Insured Federal Branches (the NPRM). A list of participants and a summary of the discussion are set forth below.

List of Participants

OCC Staff
Andra Shuster
Karen McSweeney
Priscilla Benner
Kimberly Jameson
Heather Gilmore
Michael McCartney

ABA Representative
Hu Benton

BPI Representative
Sam Riley

Sullivan & Cromwell Representative
Benjamin Weiner

Summary

Representatives of the ABA and BPI and their outside counsel highlighted the following points regarding the NPRM and their comment letter on the NPRM:

- While having an effective recovery plan is important, the idea that testing should "validate" a recovery plan should be replaced with a flexible and risk-based "capabilities assessment" standard similar to what is required by the FDIC and the FRB for resolution planning.
- There is concern with the proposed transition periods and compliance timelines, particularly given that the same people who work on recovery planning also work on resolution planning, and 2025 is expected to be a very busy time for banks in resolution planning.
- Non-financial risk should be considered in the context of recovery planning, but the Guidelines should expressly recognize the fundamental distinction between the roles of financial and non-financial risks. While triggers based on financial risk could result in escalation, monitoring, or deciding to activate and execute a recovery plan option, triggers based on non-financial risk should not necessarily be escalated until there is a financial effect.