



Federal Financial Institutions
Examination Council

ANNUAL REPORT 2022

Board of Governors of the Federal Reserve System
Consumer Financial Protection Bureau
Federal Deposit Insurance Corporation
National Credit Union Administration
Office of the Comptroller of the Currency
State Liaison Committee

Members of the Council



*Michael J. Hsu,
FFIEC Vice Chairman,
Acting Comptroller of the
Currency, Office of the
Comptroller of the Currency*



*Todd M. Harper,
FFIEC Chairman,
Chairman, National Credit
Union Administration*



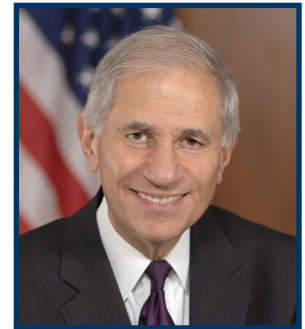
*Rohit Chopra,
Director, Consumer Financial
Protection Bureau*



*Members as of
December 31, 2022*



*Thomas C. Fite,
Chairman,
State Liaison Committee,
Director, Indiana Department of
Financial Institutions*



*Martin J. Gruenberg,
Acting Chairman, Federal
Deposit Insurance Corporation*



*Michael S. Barr,
Vice Chair for Supervision,
Board of Governors of the
Federal Reserve System*

Letter of Transmittal

Federal Financial Institutions Examination Council



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March 23, 2023

The President of the Senate
The Speaker of the House of Representatives

Pursuant to the provisions of section 1006(f) of the Financial Institutions Regulatory and Interest Rate Control Act of 1978 (12 U.S.C. § 3305), I am pleased to submit the 2022 Annual Report of the Federal Financial Institutions Examination Council.

Respectfully,

A handwritten signature in black ink, appearing to read "Todd M. Harper". The signature is fluid and cursive, with a prominent initial "T" and a long, sweeping underline.

Todd M. Harper
Chairman

Board of Governors of the Federal Reserve System, Consumer Financial Protection Bureau, Federal Deposit Insurance Corporation,
National Credit Union Administration, Office of the Comptroller of the Currency, State Liaison Committee

Table of Contents

Members of the Council	ii
Letter of Transmittal	iv
Table of Contents	vi
List of Selected Abbreviations	viii
Message from the FFIEC Chair	x
Overview of Council Operations.....	4
Record of Council Activities.....	8
State Liaison Committee	10
Activities of the Interagency Staff Task Forces	12
Task Force on Consumer Compliance	13
Task Force on Examiner Education.....	15
Task Force on Information Sharing.....	20
Task Force on Reports.....	22
Task Force on Supervision	25
Task Force on Surveillance Systems	28
The Federal Financial Institution Regulatory Agencies and their Supervised Institutions	30
Board of Governors of the Federal Reserve System.....	32
Consumer Financial Protection Bureau	34
Federal Deposit Insurance Corporation.....	36
National Credit Union Administration	38
Office of the Comptroller of the Currency.....	39
Assets, Liabilities, and Net Worth of U.S. Commercial Banks, Savings Institutions, and Credit Unions as of December 31, 2022	40
Income and Expenses of U.S. Commercial Banks, Savings Institutions, and Credit Unions for the Twelve Months Ending December 31, 2022	41
Appendix A: Selected Relevant Statutes.....	42
Appendix B: 2022 Audit Report	50
Appendix C: Maps of Agency Regions and Districts	64
Board of Governors of the Federal Reserve System.....	66
Consumer Financial Protection Bureau	67
Federal Deposit Insurance Corporation Supervisory Regions	68
National Credit Union Administration	69
Office of the Comptroller of the Currency	70
Appendix D: Organizational Listing of Personnel	72

This report can also be accessed online at <https://www.ffiec.gov/reports.htm>.

List of Selected Abbreviations

ACSSS	American Council of State Savings Supervisors	FIRIRCA	Financial Institutions Regulatory and Interest Rate Control Act of 1978
AML	Anti-Money Laundering	FIRREA	Financial Institutions Reform, Recovery, and Enforcement Act of 1989
APR	Annual Percentage Rate	FRB	Board of Governors of the Federal Reserve System
APY	Annual Percentage Yield	FSOC	Financial Stability Oversight Council
ASC	Appraisal Subcommittee	HMDA	Home Mortgage Disclosure Act of 1975
BHC	Bank Holding Company	IT	Information Technology
BSA	Bank Secrecy Act	NASCUS	National Association of State Credit Union Supervisors
Call Report	Consolidated Reports of Condition and Income	NCUA	National Credit Union Administration
CCIS	Cybersecurity and Critical Infrastructure Subcommittee	OCC	Office of the Comptroller of the Currency
CDR	Central Data Repository	PAVE Task Force ..	Interagency Task Force on Property Appraisal and Valuation Equity
CFPB	Consumer Financial Protection Bureau	PRA	Paperwork Reduction Act of 1995
CFT	Countering the Financing of Terrorism	SLC	State Liaison Committee
Council	Federal Financial Institutions Examination Council	SLHC	Savings and Loan Holding Company
COVID-19	Coronavirus Disease 2019	TFCC	Task Force on Consumer Compliance
CRA	Community Reinvestment Act	TFEE	Task Force on Examiner Education
CSBS	Conference of State Bank Supervisors	TFIS	Task Force on Information Sharing
Dodd-Frank Act ..	Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010	TFOR	Task Force on Reports
EEO	Examiner Education Office	TFOS	Task Force on Supervision
EGRPRA	Economic Growth and Regulatory Paperwork Reduction Act of 1996	TFSS	Task Force on Surveillance Systems
FCA	Farm Credit Administration	UBPR	Uniform Bank Performance Report
FDIC	Federal Deposit Insurance Corporation		
FFIEC	Federal Financial Institutions Examination Council		
FHC	Financial Holding Company		
FHFA	Federal Housing Finance Agency		
FinCEN	Financial Crimes Enforcement Network		

*Message from the
FFIEC Chair*



FFIEC Chair, Todd M. Harper

By law, the Federal Financial Institutions Examination Council works to promote uniformity and consistency in the supervision of financial institutions. Accordingly, this *2022 FFIEC Annual Report* summarizes the ongoing activities, projects, and programs of the Council, its task forces, and working groups in achieving that mission.

For the past 43 years, the Council has ensured the strength and stability of our financial system. That financial system remained on a strong footing in 2022, despite ongoing economic uncertainty and other evolving challenges like the financial fallout related to the COVID-19 pandemic, a rapidly rising interest rate environment, increasing liquidity concerns, and ever-present cybersecurity threats.

Upon becoming the Council's Chair in April 2021, I outlined several areas of focus. Those topics included economic equity and justice, real estate appraisal regulation, and the Council's operations and communications. I also noted that we would continue the Council's work related to examiner education, the phase out of the London Interbank Offered Rate (LIBOR) as a reference rate, and updating the *Bank Secrecy Act/Anti-Money Laundering Examination Manual*, among other things. So, I am pleased to report that the Council has made progress in each of these areas in 2022.

Appraisal Oversight, Bias, and Reform

As part of the Dodd-Frank Wall Street Reform and Consumer Protection Act, Congress enacted several reforms related to appraisal quality, independence, and industry oversight. Among other things, these reforms strengthened the powers of the Council's Appraisal Subcommittee, which supervises state regulatory programs, and required a joint agency rulemaking on automated valuation models.

To end bias in home valuation and build on the Dodd-Frank Act's appraisal independence requirements, the Biden Administration also established an interagency Task Force on Property Appraisal and Valuation Equity, or PAVE Task Force for short. Each of the Council's constituent agencies serve on the PAVE Task Force and have committed to executing the commitments contained in the *PAVE Action Plan*, including finalizing the Dodd-Frank Act's required rule on automated valuation models and issuing guidance on effective practices for the reconsideration of value.

To ensure the effectiveness of the Appraisal Subcommittee, attain the objectives outlined in the *PAVE Action Plan*, and finalize the implementation of the Dodd-Frank Act's appraisal reform requirements, the Executive Director and Board Chair of the Appraisal Subcommittee now present at each Council meeting. These regular reports have improved coordination among the Council's agencies.

As a result, the Appraisal Subcommittee is now on track to proposing changes in 2023 to how it supervises state appraisal regulatory programs, as required by the Dodd-Frank Act more than a decade ago. We are also on track to issuing a proposed rule on automated valuation models and guidance on the reconsideration of value when bias may have occurred. The *PAVE Action Plan* called for action on both matters. Together, these joint efforts will ultimately contribute to a broader effort to close the racial wealth gap and allow families of color who purchase homes to build intergenerational wealth.

Economic Equity and Justice

Over the past year, each of the Council's task forces reviewed matters of economic equity and justice within their respective jurisdictions with the goal of

developing action plans. The Council's principals also received related briefings and discussed matters like mortgage delinquencies, overdrafts, appraisal bias, fair lending, and algorithmic bias.

Examiner education is a critical component to raising awareness of the importance of economic equity and justice within the financial system. Just as we train examiners on how to evaluate the value of underlying collateral to ensure loans are well secured, being able to detect bias in practices, products, and procedures that may harm consumers is also important to the Council's work. The need to address bias is especially crucial if we want progress in closing the racial wealth gap.

As such, the Task Force on Examiner Education is now piloting a new fair lending course, and it's developing a course on unfair, deceptive, and abusive acts and practices. Going forward, the task force is also considering other ways to modify or augment existing curriculum offerings to provide training related to diversity, equity, and inclusion through a proactive review of all course curriculums by the Council's Examiner Education Office.

Council Communications and Operations

Additionally, the Council made notable progress in modernizing its communications and operations over the last year. In late 2021, the Council introduced *FFIEC Announcements*, an email notification system providing relevant and timely information designed specifically for examiners and practitioners within the financial services sector. That tool was fully implemented in 2022.

At our December meeting, the Council also approved a plan and funds to update its decades-old website. The project will bring the website into alignment with current federal government protocols for website security and accessibility. The overhaul will also improve the website's architecture, functionality, and navigation, including allowing for the incorporation of new systems as technologies and stakeholder needs evolve.

Additionally, the Council initiated a comprehensive review of its governance systems over the last year. Through this review, the Council will update its practices and operations to improve coordination and performance.

Cybersecurity

Lastly, cybersecurity remained a priority for the Council in 2022. In October, the Council released an update to the *Cybersecurity Resource Guide for Financial Institutions*. The updated guide now includes ransomware-specific resources to address the ongoing threat of ransomware incidents. Additionally, the Cybersecurity and Critical Infrastructure Subcommittee is now exploring updates to the *FFIEC Crisis Communication Protocols*. Efforts to further update the *FFIEC Cybersecurity Resource Guide for Financial Institutions* are also underway.

Looking Ahead and Thanks

Going forward, the Council must remain focused on long-standing projects and priorities like data collection, cybersecurity, examiner education, and compliance with anti-money laundering rules. The Council should also continue to address matters of economic equity and justice within the financial system. After all, it is that system that allows families to build wealth by accessing safe, fair, and affordable financial products and services. A key to these efforts will be the joint agency efforts already underway to root out bias in home valuations.

It has also been my privilege to lead the Council these past two years. Much of the Council's work occurs behind the scenes in classrooms, at conference tables, through video calls, and on computers. But, I have seen firsthand how our work can have a big impact on how regulators and financial institutions perform. So, I am proud of our many accomplishments and achievements in 2022.

Finally, I want to thank the Council's dedicated staff, the Council's constituent member agencies, and the State Liaison Committee for their hard work. It's their efforts that allow the Council to achieve so much. And, it's because of them that I am confident that the Council will continue to advance the interagency cooperation and coordination needed to maintain safety and soundness and ensure effective consumer financial protection in our nation's financial system.

Although my term as Council Chair will end in April, I look forward to building on our successes with the Council's next leader. And, I look forward to serving as an active member of the Council in the years ahead.

Overview of Council Operations

The Federal Financial Institutions Examination Council (FFIEC or Council) was established on March 10, 1979, pursuant to title X of the Financial Institutions Regulatory and Interest Rate Control Act of 1978 (FIRIRCA), Public Law 95-630. The purpose of title X, cited as the Federal Financial Institutions Examination Council Act of 1978, was to create a formal interagency body empowered to prescribe uniform principles, standards, and report forms for the federal examination of financial institutions by the constituent agencies, and to make recommendations to promote uniformity in the supervision of financial institutions. The Council is responsible for developing uniform reporting systems for federally supervised financial institutions, their holding companies, and the nonfinancial institution subsidiaries of those institutions and holding companies. It conducts schools for examiners employed by the five federal member agencies represented on the Council and makes those schools available to employees of state agencies that supervise financial institutions.

To encourage the application of uniform examination principles and standards by the state and federal supervisory authorities, the Council established, in accordance with the requirement of FIRIRCA, the State Liaison Committee (SLC).

Membership, Organization, and Administration of the Council

Members of the Council

By statute, the Council has six voting members. The most recent revision to the membership occurred in 2010 through a provision in the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act). Thus, since 2011 the Council Members are

- a member of the Board of Governors of the Federal Reserve System (FRB), appointed by the Chair of the Board;
- the Chairman of the Federal Deposit Insurance Corporation (FDIC);
- the Chairman of the National Credit Union Administration (NCUA);
- the Comptroller of the Currency of the Office of the Comptroller of the Currency (OCC);

- the Director of the Consumer Financial Protection Bureau (CFPB); and
- the Chairman of the State Liaison Committee (SLC).

Interagency Task Forces and Liaisons

Six staff task forces effectively administer the full spectrum of projects in the Council's functional areas, including but not limited to researching future enhancements for reporting, examiner training products, and examiner guidance. The task forces are each composed of six senior officials, one drawn from each of the five federal member agencies and one drawn from the SLC. Each is tasked with one of the following subject matters

- consumer compliance
- examiner education
- information sharing
- reports
- supervision
- surveillance systems

The Council also has a Legal Advisory Group (LAG), composed of the general or chief counsel from each of the member entities, to provide advice and other support on legal matters of interest to the Council. The task forces and the LAG provide research and develop analytical papers and proposals on the issues that the Council addresses. In addition, the Council has an Agency Liaison Group (ALG), composed of senior officials responsible for coordinating the FFIEC work of their respective members' staff.

Administration of the Council

The Chairmanship of the Council rotates among the federal members for two-year terms in the following order: OCC, FRB, FDIC, CFPB, and NCUA. The Council holds regular meetings at least twice a year. Other Council meetings may be convened whenever called by the Chairman or four or more Council members. Most of the Council's funds are derived from assessments on its five federal member agencies. Additionally, it receives tuition fees from non-FFIEC member agency attendees to cover some of the costs associated with its examiner education program. The Council also receives

funding from the U.S. Department of Housing and Urban Development for collecting, processing, and reporting data under the Home Mortgage Disclosure Act of 1975 (HMDA).

The FRB provides administrative, budget, and accounting services to the Council. The Council is supported by a small, full-time administrative staff in its operations office and in its examiner education program, which are located at the FDIC's L. William Seidman Center in Arlington, Virginia. Each Council staff is detailed (some permanently) from one of the five federal member agencies represented on the Council.

A Brief Statutory History of the Council

The Financial Institutions Regulatory and Interest Rate Control Act of 1978

Upon passage of FIRIRCA, the constituent agencies each designated personnel to study title X, analyze the agencies' responsibilities, and prepare recommendations for performing the required duties. The heads of the constituent agencies, acting through the Interagency Coordinating Committee, then established a task force composed of representatives from each agency to develop the necessary mechanism to establish the Council. The task force prepared option papers and legal opinions for the Council on organization structure, rules of operation, funding, priorities, and other necessary matters pertinent to the establishment of a functioning Council. The Council organized and held its first meeting on March 16, 1979. At the first meeting of the Council, the organizations were represented by John G. Heimann, Comptroller of the Currency; Irvine H. Sprague, Chairman of the FDIC; J. Charles Partee, Governor of the FRB; Robert H. McKinney, Chairman of the Federal Home Loan Bank Board (Bank Board); and Lawrence Connell, Administrator of the NCUA.

The Housing and Community Development Act of 1980

The Council was given additional statutory responsibilities by section 340 of the Housing and Community Development Act of 1980, Public Law 96-399. Among these responsibilities are the implementation of a system to facilitate public access to data that depository institutions must disclose

under the HMDA and the aggregation of annual HMDA data, by census tract, for each metropolitan statistical area.

The Financial Institutions Reform, Recovery, and Enforcement Act of 1989

In 1989, the Financial Institutions Reform, Recovery, and Enforcement Act (FIRREA) abolished the Bank Board and established the Office of Thrift Supervision (OTS). Accordingly, the Director of the OTS assumed the Council seat previously held by the Bank Board representative.

Title XI of FIRREA established the Appraisal Subcommittee (ASC) within the Council. The ASC's mission statement is "to provide federal oversight of State appraiser regulatory programs and a monitoring framework for the Appraisal Foundation and the Federal Financial Institutions Regulatory Agencies in their roles to protect federal financial and public policy interests in real estate appraisals utilized in federally related transactions." The ASC Board consists of seven individuals appointed by the heads of the five federal regulatory agencies represented on the Council and the Federal Housing Finance Agency and the U.S. Department of Housing and Urban Development. The ASC is largely autonomous and performs its duties independently of the direct supervision and oversight of the Council. The Council's responsibilities with respect to the ASC include (1) selection of the chairman of the ASC, (2) approval of any adjustment of the amount of the ASC's annual registry fee for appraisers that exceeds the statutorily defined amount, (3) approval of any determination by the ASC to waive any certification or licensing requirement based on a scarcity of appraisers in connection with federally related transactions within a state, and (4) approval of any proposal by the ASC to grant extensions to states to comply with new regulations governing establishment of appraisal management company registration and supervision systems.

The Economic Growth and Regulatory Paperwork Reduction Act of 1996

The Economic Growth and Regulatory Paperwork Reduction Act (EGRPRA) requires that not less frequently than once every 10 years, the Council and each appropriate federal banking agency

represented on the Council (the OCC, FDIC, and FRB) shall conduct a review of all regulations prescribed by the Council or by any such appropriate federal banking agency, respectively, in order to identify outdated or otherwise unnecessary regulatory requirements imposed on insured depository institutions.

Additional responsibility was given to the Council by the EGRPRA to submit reports to Congress on the regulatory reviews that the appropriate federal banking agencies conduct in accordance with EGRPRA. Although not required, the NCUA elects to participate in the decennial review process. The CFPB is required to complete a review of each significant rule five years after it takes effect, in a process separate from EGRPRA.

The Financial Services Regulatory Relief Act of 2006

Congress passed the Financial Services Regulatory Relief Act of 2006 that provided for the election of a Chairman for the SLC from among the five SLC members and for the addition of the SLC Chairman as a voting member of the Council in October 2006.

The Secure and Fair Enforcement for Mortgage Licensing Act of 2008

The Secure and Fair Enforcement for Mortgage Licensing Act of 2008, enacted as title V of the Housing and Economic Recovery Act of 2008, established the responsibility for the federal banking agencies, through the Council and in conjunction with the Farm Credit Administration, to develop and maintain a system for registering employees of depository institutions and certain of their subsidiaries' loan originators with the Nationwide Mortgage Licensing System and Registry. On July 21, 2011, pursuant to the Dodd-Frank Act, the authority for rulemaking and the development and maintenance of the licensing system generally was transferred to the CFPB.

The Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010

In 2010, Congress enacted the Dodd-Frank Act, providing for the addition of the Director of the CFPB as a voting member of the Council, effective July 2011. The Director of the former OTS was removed from the Council, and the agency's functions were transferred to the OCC, FRB, FDIC, and CFPB.

Record of Council Activities

This section provides a chronological record of the official actions taken by the FFIEC during 2022, pursuant to the FIRIRCA, as amended, and the HMDA, as amended.

January 19, 2022

Action. Approved the Central Data Repository (CDR) Steering Committee’s Task Order #15.

Explanation. The Council is required to approve task orders that exceed a specific dollar amount. Task Order #15 provides funding for CDR enhancements to improve processing and publication of Consolidated Reports of Condition and Income (Call Report) and Uniform Bank Performance Report (UBPR) data.

February 1, 2022

Action. Approved the issuance of the Council’s annual interagency awards.

Explanation. The Council has a non-monetary interagency awards program that recognizes staff of the FFIEC members who have provided outstanding service to the Council on interagency projects and programs during the previous year.

March 3, 2022

Action. Approved the appointment of six task force chairs.

Explanation. The chairs for all six standing task forces are approved annually and are drawn from management and staff of the FFIEC members. Their terms run April 1, 2022, through March 31, 2023.

March 3, 2022

Action. Approved the Council’s 2021 annual report to Congress.

Explanation. The legislation establishing the Council requires that, not later than April 1 of each year, the Council publish an annual report covering its activities during the preceding year.



(Left to right) FFIEC Vice Chair Hsu and FFIEC Chair Harper at a 2022 Council Meeting.



Council Members (standing left to right): SLC Chair and Director Thomas Fite (IN), Member and Vice Chair for Supervision Michael S. Barr (FRB), FFIEC Vice Chair and Comptroller Michael J. Hsu (OCC), FFIEC Chair and Chair Todd M. Harper (NCUA), Director Rohit Chopra (CFPB), Chairman Martin J. Gruenberg (FDIC).

March 23, 2022

Action. Approved re-appointment of SLC member, Melanie Hall, Commissioner, Montana Division of Banking and Financial Institutions.

Explanation. The Council appoints two of the SLC members. The remaining three members are designated by the Conference of State Bank Supervisors (CSBS), the American Council of State Savings Supervisors (ACSSS), and the National Association of State Credit Union Supervisors (NASCUS). Melanie Hall’s first full term on the SLC concluded on April 30, 2022. The Council approved a second full two-year term from May 1, 2022, through April 30, 2024.

March 23, 2022

Action. Approved selection of the ASC Chair, Zixta Martinez, CFPB.

Explanation. In accordance with 12 U.S.C. § 3333, the Council is required to approve the selection of the ASC Chairperson, who serves a two-year term. The ASC nominated Zixta Martinez as their Chair for the two-year term commencing April 1, 2022, through March 31, 2024.

November 16, 2022

Action. Approved the replacement of the Chair for the Task Force on Consumer Compliance (TFCC).

Explanation. The Council approves changes to the task force chairs should the need arise at any time during the term.

December 2, 2022

Action. Approved the 2023 Council budget.

Explanation. The Council is required to approve the annual budget that funds the Council’s staff, programs, and activities.

State Liaison Committee

The SLC consists of five representatives from state regulatory agencies that supervise financial institutions. The representatives are appointed for two-year terms. An SLC member's two-year term may be extended by the appointing organization for an additional, consecutive two-year term. The Council elects two of the five members of the SLC. The ACSSS, the CSBS, and the NASCUS each designate a member. The members of the SLC serve as an important conduit to their state colleagues and represent state supervisory interests before the Council. Each year, the SLC elects one of its members to serve as chairman for 12 months, commencing May 1.

The five members serving on the SLC in 2022 were



- Thomas C. Fite
SLC Chairman
Director, Indiana Department of Financial Institutions



- Kevin Allard
Superintendent, Ohio Division of Financial Institutions



- Yolanda Ford
Deputy Superintendent,
New York State Department of Financial Services



- Melanie Hall
Commissioner, Montana Division of Banking and Financial Institutions



- Susannah Marshall
Commissioner, Arkansas State Bank Department

The SLC is represented on the Council's task forces and working groups by state supervisors from around the country. The CSBS provides staff support to the SLC representatives and serves as the primary liaison to the FFIEC staff for all administrative matters.

In connection with its role on the Council, the SLC meets before each Council meeting to discuss the agenda, task force projects, and topics of interest that may come before the Council. The SLC met virtually throughout 2022. Representatives from the FFIEC executive secretary's office participated in these informal briefings. Such meetings allow the SLC members to bring a focused and impactful dialogue to the Council meetings, reflecting the diverse views from regulators nationwide.

State regulators, represented by the SLC, charter approximately 3,758 banks with \$8.5 trillion assets under supervision and approximately 1,902 credit unions with \$1 trillion assets under supervision. In addition to commercial banks and credit unions, state regulators supervise other depository and nondepository institutions, including savings banks, savings and loan institutions, bankers' banks, credit card banks, industrial loan companies, foreign banking organizations, mortgage companies, mortgage servicers, money services businesses, nondepository trust companies, debt collectors, consumer finance companies, credit reporting agencies, and other nondepository entities.



State Liaison Committee Members (standing left to right): Commissioner Melanie Hall (MT), Deputy Superintendent Yolanda Ford (NY), SLC Chair and Director Thomas Fite (IN), Commissioner Susannah Marshall (AR); Not pictured, Superintendent Kevin Allard (OH).

*Activities of the Interagency
Staff Task Forces*

Task Force on Consumer Compliance

The TFCC promotes policy coordination, a common supervisory approach, and uniform enforcement of consumer protection laws and regulations. The TFCC identifies and analyzes emerging consumer compliance issues and proposes policies and procedures to foster consistency among the FFIEC members. The TFCC also reviews legislation, regulations, and policies at the state and federal level that may have a bearing on the consumer compliance supervision responsibilities of the FFIEC members.

The TFCC meets monthly to address and resolve common issues in consumer compliance supervision. The TFCC has three standing subcommittees:

- Home Mortgage Disclosure Act (HMDA) and Community Reinvestment Act (CRA) Data Collection Subcommittee
- CRA Subcommittee
- Census and Geocoder Subcommittee

The HMDA/CRA Data Collection Subcommittee oversees FFIEC projects and programs involving HMDA and CRA data collection and dissemination. This work includes interfacing with the vendor agencies—CFPB for HMDA data and FRB for CRA data—to ensure the efficient collection, processing, and publication of data and the provision of associated data products, tools, and guidance. The TFCC provides direction to the HMDA/CRA Data Collection Subcommittee for the development and implementation of any related HMDA/CRA processing projects.

The CRA Subcommittee serves the TFCC as the staff vehicle for drafting CRA examination procedures and coordinating any FFIEC training efforts.

The TFCC established the Census and Geocoder Subcommittee in 2021 to oversee operation and maintenance of the FFIEC-provided census and geocoder products.

In addition to these subcommittees, the TFCC has developed, and makes available, via its webpage, certain tools to access census information and geocode addresses and calculate annual percentage rates (APR), Military Annual Percentage Rates (MAPR), and annual percentage yields (APY).

2022 Initiatives

HMDA/CRA Data Collection Subcommittee

The HMDA/CRA Data Collection Subcommittee's achievements in 2022 include the successful annual collection and publication of 2021 HMDA data, introduction of a quarterly data publication, and various operational improvements.

In March 2022, the FFIEC released the 2021 HMDA Modified Loan Application Registers, and in June 2022, the TFCC approved a press release announcing the availability of 2021 HMDA data, including the National Loan-Level Dataset Snapshot, the Dynamic National Loan-Level Dataset, the Aggregate and Disclosure Reports, and custom datasets and summary tables from the HMDA Data Browser.

In August 2022, the HMDA Operations team launched a new set of HMDA data visualizations to provide public access to quarterly HMDA data for the highest volume HMDA reporters. The visualizations offer, for the first time, market trend analysis using HMDA data for the same year data is collected.

In 2022, the HMDA Operations team completed a migration to Amazon Web Services that resulted in increased efficiencies and led to an overall budget decrease in 2022. HMDA Operations also continued to provide ongoing support to agencies through reports, data investigations, and analysis.

A Guide to HMDA Reporting: Getting it Right!

On May 5, 2022, the FFIEC released the 2022 version of [*A Guide to HMDA Reporting: Getting It Right!*](#).

Examination Procedures

In December 2022, the TFCC approved the revised interagency Fair Debt Collection Practices Act (FDCPA) examination procedures. The TFCC updated the FDCPA examination procedures to align with the CFPB's 2020 and 2021 amendments to Regulation F, which addressed a broad range of topics and restated the substantive provisions of the FDCPA.

FFIEC Federal Computational Tools

In 2018, the TFCC and the FFIEC approved a plan for the FFIEC to fund and develop new calculation tools to replace the APY for Windows (known as APYWIN), and the APR for Windows (known as APRWIN), which consumer compliance examiners and industry stakeholders use to calculate APY or APR in support of compliance with certain consumer protection rules.

In 2019, staff from each of the FFIEC members worked with technology staff from the FRB to build in-house interagency, web-based solutions to support calculation of APR, APY, and MAPR disclosures.

On April 16, 2020, the FFIEC, on behalf of its members, released the Federal Disclosure Computational Tools, including the APR Computational Tool and the APY Computational Tool.

In March 2021, the FFIEC members reviewed, prioritized, and recommended potential enhancements to the Federal Disclosure Computational Tools. The TFCC agreed to implement several of the recommended enhancements. The FRB worked with staff from each of the FFIEC members to analyze, design, develop, test, and implement these enhancements in 2022.

FFIEC Consumer Compliance Conference

In 2022, the TFCC continued to collaborate with the Task Force on Examiner Education (TFEE) and the FFIEC Examiner Education Office (EEO) to develop, plan, and deliver the Consumer Compliance Conference. The conference covered supervisory updates and emerging issues in consumer compliance for experienced examiners.

The FFIEC has offered this conference annually since 2013. In 2022, the conference was again held virtually in order to allow more people to attend. A session on financial technology (fintech) and one on unfair or deceptive acts or practices (UDAP) or unfair, deceptive, or abusive acts or practices (UDAAP) were the most popular sessions of the 2022 conference. Nearly 300 people attended each of these sessions.

Appraisal Bias Working Group

In 2022, the TFCC established the Appraisal Bias Working Group to share information and develop consumer compliance examination principles to support the implementation of goals and commitments made by individual TFCC member entities in the March 2022 report issued by PAVE¹. The working group's priority is to develop principles for consumer compliance examinations that would aid in the evaluation of supervised financial institutions' residential real estate valuation programs in assessing the risks associated with appraisal discrimination.

¹ Refer to the ["Action Plan to Advance Property Appraisal and Valuation Equity: Closing the Racial Wealth Gap by Addressing Mis-valuations for Families and Communities of Color"](#) (March 2022).

Task Force on Examiner Education

The TFEE oversees the FFIEC's examiner education program on behalf of the Council. The TFEE promotes interagency education through timely, cost-efficient, state-of-the-art training programs for federal and state examiners and agency staff. The TFEE develops programs on its own initiative and in response to requests from the Council and Council task forces and suggestions brought forth by the EEO staff. The EEO also maintains development groups that have been established to provide ongoing content guidance for classes and conferences. The development groups consist of subject matter experts from each FFIEC member entity designated by their TFEE members. Development group members help the EEO ensure the courses are current and relevant and meet the the agencies' examiner training needs.

Each fall, EEO staff establishes a training schedule based on demand from the FFIEC member entities and state financial institution regulators, which is then approved by the TFEE. The EEO staff schedules, delivers, and evaluates training programs throughout the year.

2022 Initiatives

The TFEE continues to ensure that the FFIEC's educational programs meet the needs of agency personnel, are cost-effective, and are widely available. The TFEE meets monthly with the EEO staff to discuss emerging topics, review feedback from each course and conference, and develop a framework for future courses and conferences. The solid partnership between the TFEE members and the EEO staff promotes open and regular communication that continues to result in high quality, well-received training.

Impact of COVID-19 Pandemic on Examiner Education

The TFEE pivoted to online training and programs to provide education and resources during the height of travel and other restrictions resulting from the COVID-19 pandemic. For the first time in 30 months, in-person training resumed for some programs in October 2022. The TFEE will continue to leverage both in-person training programs and alternative delivery education to make training available to a broad audience of examiners.

In-Person Training Programs

In-person training resumed on October 24, 2022. From October 24, 2022, through December 31, 2022, the EEO administered eight in-person training sessions with a total of 158 attendees. (See figure 1 on page 16.)

Alternative Delivery Education

The FFIEC continues to build on efforts to explore and expand alternative delivery methods for examiner education programming in an effort to provide opportunities for examiners to participate remotely. In 2022, the EEO administered 69 virtual training events through four alternative delivery methods: 1) virtual, instructor-led classes, 2) the FFIEC Examiner Exchange Program, 3) FFIEC Industry Outreach Program, and 4) self-study programs.

Figure 1. 2022 Courses (In-Person Delivery) October 24, 2022, through December 31, 2022

Program Title	Total Sessions	Attendees												Total Attendees
		FRB	FRB State-Sponsored	FDIC	FDIC State-Sponsored	NCUA	NCUA State-Sponsored	OCC	CFPB	FCA	FHFA	FinCEN	Other	
Commercial Real Estate Analysis	3	20	3	32	6	2	0	7	0	0	0	0	0	70
Fraud Investigation Techniques for Examiners	1	2	6	11	0	1	0	2	0	1	0	0	1	24
Instructor Training School	1	4	0	0	0	0	0	0	1	2	0	0	0	7
Model Lab for Asset Liability Management	1	0	1	4	0	1	0	5	0	0	0	0	0	11
Real Estate Appraisal Review School	2	4	7	28	5	0	0	2	0	0	0	0	0	46
Grand Total	8	30	17	75	11	4	0	16	1	3	0	0	1	158
Percentage		18.99%	10.76%	47.47%	6.96%	2.53%	0.00%	10.13%	0.63%	1.90%	0.00%	0.00%	0.63%	100%
Combined Agency and Sponsored Percentage		29.75%	N/A	54.43%	N/A	2.53%	N/A	10.13%	0.63%	1.90%	0.00%	0.00%	0.63%	100%

Virtual Delivery—Instructor-Led Courses

In 2022, EEO staff successfully delivered 44 sessions of 10 Course programs virtually. (See figure 2 on page 17.)

Virtual Delivery – FFIEC Examiner Exchange Program

In 2022, EEO staff successfully delivered 18 FFIEC Examiner Exchange training events for all 13 regularly scheduled conferences, 4 Quarterly Series, and 1 standalone event covering the 2021 FFIEC BSA/AML Manual Updates. The Examiner Exchange Program is available to all FFIEC member entity staff. Additionally, recorded sessions are provided after most events allowing the event to be viewed at a later date. (See figure 3 on page 18.)

Virtual Delivery – FFIEC Industry Outreach Program

In 2022, the EEO successfully delivered two events via the FFIEC Industry Outreach Program. These events are generally limited to entities regulated by FFIEC member agencies and state regulators represented by the SLC, and may be offered to the public. The topics of the two FFIEC Industry Outreach events held in 2022 were 1) 2021 updates to the Bank Secrecy Act (BSA)/Anti-Money Laundering (AML) Examination Manual and 2) multifactor authentication (MFA). A total of 4,181 attendees participated in these events. (See figure 4 on page 19.)

Self-Study Programs

Currently, the EEO offers three self-study courses. The Basic International Banking Self-Study course is available to both the public and the FFIEC member entities’ staff. The Real Estate Appraisal Review Self-Study course and the Fraud Identification Training Self-Study course are both available to examiners and bankers through collaboration with the CSBS. A total of 81 attendees participated in five sessions of these self-study courses. (See figure 5 on page 19.)

Cybersecurity

Cybersecurity is a standing topic covered in several training programs for many years. In 2022, the Information Technology (IT) Conference and the Financial Crimes Seminar included speakers from both FFIEC member entity subject matter experts and industry experts on cybersecurity. This effort is made to ensure attendees are informed of the latest developments in this rapidly changing area.

Diversity, Equity, and Inclusion

FFIEC supports improving diversity, equity and inclusion (DEI) understanding among the member entities and does so through topical programming offered via the FFIEC Examiner Exchange Program. In 2022, DEI sessions were included in the IT Conference, the Consumer Compliance Conference, the Payment Systems Risk Conference, and the Asset Wealth Management Forum.

Figure 2. 2022 Courses (Virtual Delivery)

Program Title	Total Sessions	Attendees												Total Attendees
		FRB	FRB State-Sponsored	FDIC	FDIC State-Sponsored	NCUA	NCUA State-Sponsored	OCC	CFPB	FCA	FHFA	FinCEN	Other	
Advanced Cash Flow Concepts & Analysis: Beyond the Numbers	5	22	14	30	13	2	1	6	0	1	0	0	0	89
Advanced Commercial Credit Analysis	4	14	11	29	6	4	1	8	0	0	0	0	0	73
Anti-Money Laundering Workshop	4	15	15	41	3	3	2	0	0	0	0	8	2	89
Cash Flow Construction & Analysis from Federal Tax Returns	6	16	20	67	12	9	1	18	0	0	0	0	2	145
Fundamentals of Fraud Workshop	5	16	17	42	6	8	5	4	4	2	0	6	5	115
Fundamentals of Trust	5	12	22	44	8	1	0	22	0	0	0	0	0	109
International Banking School	2	16	0	6	2	1	0	2	0	0	0	0	0	27
Liquidity Risk Management Workshop	6	25	15	38	10	5	3	7	0	2	1	0	22	128
Model Lab for Asset Liability Management	4	5	5	29	1	7	0	4	0	1	0	0	1	53
Structured Finance: Investment Analysis & Risk Management	3	22	2	26	1	4	0	9	0	3	0	0	1	68
Grand Total	44	163	121	352	62	44	13	80	4	9	1	14	33	896
Percentage		18.19%	13.50%	39.29%	6.92%	4.91%	1.45%	8.93%	0.45%	1.00%	0.11%	1.56%	3.68%	100%
Combined Agency and Sponsored Percentage		31.70%	N/A	46.21%	N/A	6.36%	N/A	8.93%	0.45%	1.00%	0.11%	1.56%	3.68%	100%

Crypto-Assets

Crypto-assets and crypto-related activities are rapidly evolving. The FFIEC helps examiners stay updated on the dynamic landscape of crypto-related activities by providing news and information related to crypto-assets in the FFIEC Examer Exchange Program. In 2022, nine sessions on crypto-assets were included in the Accounting Conference, the Financial Crimes Seminar, The Advanced BSA/AML Specialists Conference, the Asset Wealth Management Conference, the International Banking Conference, The Payment Systems Risk Conference, and the Consumer Compliance Conference.

Annual Specialists Conferences

In addition to the classes and conferences designed to meet the needs of generalist commissioned examiners, the examiner education curriculum also includes several annual specialists conferences designed to address important emerging topics and regulatory updates. These conferences provide FFIEC member entity subject matter experts with access to knowledgeable and informative speakers, including FFIEC member entity senior-level officials, policymakers, and industry experts.

Figure 3. 2022 Examiner Exchange Events (Virtual Delivery)

Program Title	Total Sessions Delivered per Event	Average Attendees per Session per Entity							Average Attendance per Event	Highest Attendance at a Single Session
		FRB	FDIC	NCUA	OCC	CFPB	State	Non-Member		
Advanced BSA/AML Specialists Conference (June)	8	30	80	9	33	3	186	2	343	405
Agricultural Lending Hot Topics (August)	3	15	49	6	12	2	89	7	180	211
Asset & Wealth Management Forum (July)	12	29	70	0	25	3	89	0	216	288
Examiner Training on 2021 FFIEC BSA/AML Manual Updates (March)	1	87	156	188	67	5	318	0	-	821
Capital Markets Generalist Conference (September)	8	19	50	9	18	2	120	3	221	260
Capital Markets Specialists Conference (March)	5	30	94	32	31	3	115	11	316	341
Consumer Compliance Conference (October)	6	31	52	9	41	22	91	1	247	279
Financial Crimes Seminar (April)	9	39	144	30	22	5	140	5	385	406
Financial Institution Accounting Specialists Conference (March)	11	74	103	14	53	3	87	5	339	438
Information Technology Conference (August)	10	94	118	25	49	14	158	3	461	586
International Banking Conference (August)	9	19	37	4	10	1	47	0	118	204
Payment Systems Risk Conference (October)	12	35	49	11	44	8	93	3	243	316
Supervisory Updates & Emerging Issues for Community Financial Institutions (September)	7	30	67	8	12	5	140	3	265	310
Supervisory Updates & Emerging Issues for Large, Complex Financial Institutions (May)	7	34	139	6	37	14	128	2	360	472
Quarterly Series March	3	30	119	0	0	19	93	0	261	299
Quarterly Series June	3	21	68	0	6	9	83	0	187	244
Quarterly Series September	3	43	50	0	15	22	113	0	243	269
Quarterly Series December	3	14	71	0	13	6	105	0	209	276
Sum of Sessions Delivered	120	-	-	-	-	-	-	-	-	-
SUM of the Average Attendance	-	674	1516	351	488	146	2195	45		

Educational InfoBases

The TFEE manages the maintenance of two InfoBases: (1) the BSA/AML InfoBase and (2) the IT Examination Handbook InfoBase. These two InfoBases are online products that efficiently and effectively centralize and facilitate prompt access to examination procedures, agency resources, and reference materials on topics of interest to both financial institution regulators and the industry. The electronic delivery medium enables the content to be readily updated as needed in coordination with Task Force on Supervision (TFOS) subgroups.

The BSA/AML InfoBase contains the BSA/ AML Examination Manual, agency resources, regulations and guidance, a glossary, and reference materials. The InfoBase content is updated on an as-needed basis. The BSA/AML InfoBase can be found at <https://bsaaml.ffiec.gov>.

The IT Examination Handbook InfoBase contains the current set of IT booklets, IT work programs, laws, regulations and guidance, a glossary, and reference materials. The InfoBase content is updated on an as-needed basis. The IT Examination Handbook InfoBase can be found at <https://ithandbook.ffiec.gov>.

Continuing Education Credits

Several FFIEC programs are assessed and approved annually for continuing education credits, evidencing the high quality content of the examiner education programming. Accreditation of examiner education training events provides examiners the opportunity to maintain their certifications, as they would by attending industry-sponsored training, while hearing from FFIEC member entity and industry subject matter experts on topics of interest to examiners. Through a collaborative relationship with the FDIC, the program sponsor, a number of classes and conferences are reviewed and approved for Continuing Professional Education credits, which are required for those examiners who are Certified Public Accountants. Other examiner education accreditations are available to examiners with industry-recognized designations, such as Certified AML Specialist, Certified Fraud Examiner, Certified Regulatory Compliance Manager, Certified Trust and Financial Advisor, and Chartered Financial Analyst. Examiner education classes enable examiners to better perform their examination duties as well as meet their greater professional development needs.

Facilities

The FFIEC rents office space and classrooms at the FDIC’s L. William Seidman Center at Virginia Square in Arlington, Virginia. This facility offers convenient access to two auditoriums, numerous classrooms, and lodging facilities for examiners. Regional

Figure 4. 2022 FFIEC Industry Outreach Events (Virtual Delivery)

Events	Total	
	Events Delivered	Attendees
2021 FFIEC BSA/AML Examination Manual Updates (April)	1	2,898
Critical Infrastructure Security and Resilience Multifactor Authentication (November)	1	1,283
Grand Total	2	4,181

sessions are provided on an as-needed basis as requested.

Course Catalogue, Schedule, and Contact Information

The course catalogue and schedule, as well as contact information, are available online at <https://www.ffiec.gov/exam/default.htm>.

Figure 5. 2022 Self-Study Programs (Virtual Delivery)

Program Title	Total Sessions	Attendees												Total Attendees
		FRB	FRB State-Sponsored	FDIC	FDIC State-Sponsored	NCUA	NCUA State-Sponsored	OCC	CFPB	FCA	FHFA	FinCEN	Other	
Figure 5. 2022 Self-Study Programs (Virtual Delivery)	1	16	2	14	1	2	0	3	0	0	0	0	0	38
Advanced Commercial Credit Analysis	2	3	0	15	0	0	0	4	0	0	0	0	0	22
Anti-Money Laundering Workshop	2	1	0	19	0	1	0	0	0	0	0	0	0	21
Grand Total	5	20	2	48	1	3	0	7	0	0	0	0	0	81
Percentage		24.69%	2.47%	59.26%	1.23%	3.70%	0.00%	8.64%	0.00%	0.00%	0.00%	0.00%	0.00%	100%
Combined Agency and Sponsored Percentage		27.16%	N/A	60.49%	N/A	3.70%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	

Task Force on Information Sharing

The Task Force on Information Sharing (TFIS) promotes and facilitates the sharing (collection, exchange, and access) of electronic information among the FFIEC member entities in support of the supervision, regulation, and deposit insurance responsibilities of financial institution regulators. The TFIS provides a forum for the FFIEC member entities to discuss and address issues affecting the quality, consistency, efficiency, and security of interagency information sharing. Provided all TFIS members agree, the Council has delegated to the TFIS the authority to facilitate among the FFIEC member entities the sharing of electronic information to supervise, regulate, or insure depository institutions.

To the extent possible, the FFIEC member entities build on each other's information databases to minimize duplication of effort and promote consistency. In accordance with their internal policy, the FFIEC member entities participate in a program to share electronic versions of their examination and inspection reports, and other communications with financial institutions.

They also provide each other with access to their regulated entities' structure, financial data, and supervisory information. The TFIS maintains the "Data Exchange Summary," which lists the data files exchanged among the FFIEC member entities critical to information sharing.

The TFIS has working groups to address data sharing and interagency reconciliation of financial institution structure data. In addition, the TFIS

receives demonstrations and reports on agency, financial industry, and other Council initiatives pertaining to technology development (including the production and development status of the interagency CDR).

2022 Initiatives

Interconnection Security Agreement (ISA)

The ISA documents the development, management, operation, and security of the five-way interconnection using the Connect:Direct facility for the exchange of financial, supervisory, and structure data by and between the FFIEC member agencies. The ISA is maintained by the TFIS. The ISA, dated June 5, 2020, is effective for a period of three years. During 2022 the TFIS initiated the review and update of the ISA with all FFIEC member agencies for renewal in 2023.

Data Sharing

The TFIS's Technology Working Group (TWG) meets monthly to develop technological solutions that enhance data sharing and to coordinate the automated transfer of data files between the FFIEC member entities. The group tracks weekly developments to provide timely resolutions of data exchange issues.

The TWG continues to develop necessary links and processes to exchange electronic documents and develop an inventory of future technology projects.

Structure Data Reconciliation

Structure data are nonfinancial in nature and encompass the financial institution's profile, including, but not limited to, its charter type, holding company information, address, and contact information. These nonfinancial data are used in CFPB, FDIC, FRB, NCUA, and OCC databases for business analyses, processing, and reporting purposes. As a result, the accuracy and consistency of these data must be ensured. The Structure Data Reconciliation Working Group (SDRWG) compares and reconciles data discrepancies between the CFPB, FDIC, FRB, NCUA, and OCC databases quarterly to ensure their reliability. The SDRWG's quarterly efforts have greatly reduced structure data discrepancies among the FFIEC member entities.

"Path Forward" Working Group

The TFIS established the "Path Forward" Working Group in 2022 to provide a forward-look as it relates to data exchanges and overall collaboration between the FFIEC agencies and work groups. In 2022, the group established its charter and facilitated the ISA revision process. The group also initiated discussion with the Interagency Data Transfers Technical Contacts to begin the evaluation of the business needs and options for securely managed file transfers.

Coordination with Other Interagency Information-Sharing Entities

The TFIS continues to coordinate with interagency information-sharing entities, including the Financial Stability Oversight Council (FSOC). These coordination efforts enable the TFIS to keep apprised of emerging issues and to monitor progress on projects identified by the FSOC Data Committee.

Task Force on Reports

The law establishing the Council and defining its functions requires the Council to develop uniform reporting systems for federally supervised financial institutions and their holding companies and subsidiaries. To meet this objective, the Council established the Task Force on Reports (TFOR). The TFOR helps to develop interagency uniformity in the reporting of periodic information that is needed for effective supervision and other public policy purposes. As a consequence, the TFOR is concerned with issues such as the review and implementation of proposed revisions to reporting requirements; the development and interpretation of reporting instructions, including responding to inquiries about the instructions from reporting institutions and the public; the application of accounting standards to specific transactions; the development and application of processing standards; the monitoring of data quality; and the assessment of reporting burden. The TFOR also is responsible for any special projects related to these subjects that the Council may assign. In addition, the TFOR works with other federal agencies, including the Securities and Exchange Commission. The TFOR also monitors activities of the Financial Accounting Standards Board and the American Institute of Certified Public Accountants' Expert Panel Depository and Lending Institutions.

To help the TFOR carry out its responsibilities, working groups are organized as needed to handle specialized or technical accounting, reporting, instructional, and processing matters. In this regard, the TFOR has established a CDR Steering Committee to make business decisions needed to ensure the continued success of the CDR system, monitor its ongoing performance, and report on its status. The CDR is a secure, shared application for collecting, managing, validating, and distributing data reported in the quarterly Call Reports filed by insured banks and savings associations and the FDIC's annual Summary of Deposits survey submitted by insured institutions with branch offices. The CDR also processes and distributes the UBPR under the oversight of the TFSS.

2022 Call Report Revisions

Accounting Standards Update No. 2022-02, Financial Instruments – Credit Losses (Topic 326) Troubled Debt Restructurings and Vintage Disclosures (ASU 2022-02)

On March 31, 2022, the Financial Accounting Standards Board finalized ASU 2022-02. The standard, once effective, will eliminate the recognition and measurement accounting guidance for troubled debt restructurings by creditors in Subtopic 310-40, "Receivables – Troubled Debt Restructurings by Creditors," while enhancing disclosure requirements for certain loan refinancings and restructurings by creditors when a borrower is experiencing financial difficulty. The ASU is applicable for institutions that have adopted the amendments in ASU 2016-13, Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments and shall be effective for all institutions that have implemented the current expected credit losses (CECL) methodology for fiscal years beginning after December 15, 2022. Early application of the new standard is permitted for all institutions, provided that an institution has implemented CECL.

Beginning with the March 31, 2022, report date, a new topic, "Accounting for Loan Modifications to Borrowers Experiencing Financial Difficulties" was included in the quarterly Call Report Supplemental Instructions. This entry provided guidance to institutions that adopted ASU 2022-02 early for the Q1 2022 through Q4 2022 reporting cycles.

The TFOR will publish an initial 60-day Paperwork Reduction Act (PRA) *Federal Register* notice seeking comment on the proposed Call Report revisions resulting from ASU 2022-02 in the *Federal Register* in 2023.

Statutorily Mandated Full Review of the Call Report

Under the auspices of the TFOR, staff from the banking agencies, the CFPB, and the SLC completed a review of “the information and schedules that are required to be filed by an insured depository institution” in the Call Report, which was mandated by section 604 of the Financial Services Regulatory Relief Act of 2006. The TFOR surveyed 188 users representing diverse groups within the banking agencies, the CFPB, and state supervisory authorities to identify the purposes for which each group uses each reported data item, the extent of usage for each item, and the frequency with which each item is needed. The 2022 statutorily mandated full review was comprised of three surveys that began in June 2021 with the final survey completed in March 2022. The results were evaluated by an interagency working group that presented its findings to the TFOR, which reported on the results of the review to the FFIEC principals in December 2022.

Section 604 also requires that, after completing the review of the reports, the banking agencies are to reduce or eliminate the continued collection of information that they determine is “no longer necessary or appropriate.” As such, the data items that were identified to be removed and/or consolidated during the statutorily mandated full review of the Call Report will be included in a initial 60-day PRA *Federal Register* notice that will be published in 2023.

Other Activities

Revisions to the Country Exposure Report (FFIEC 009) and the Country Exposure Information Report (FFIEC 009a)

On January 20, 2022, the TFOR published an initial 60-day PRA [Federal Register notice](#)¹ for proposed revisions to the FFIEC 009 and the FFIEC 009a. The banking agencies proposed revisions to the FFIEC 009 that would clarify that the redistribution of

immediate-counterparty claims previously referred to as “Ultimate Risk Basis” should be renamed as “Guarantor Basis” and would add two new columns to the renamed Schedule C, Part II, Claims on a Guarantor Basis and Memorandum Items, under “Collateral Held Against Claims With No Risk Transfer” titled “Of Which, U.S.,” and “Of Which, Resale and Reverse Repurchase Agreements and Securities Lending (Collateral).” The proposed revisions to the FFIEC 009a would eliminate Part B of the FFIEC 009a and expand the scope for reporting the more granular information currently in Part A. Under the proposed scope, reporting institutions would have to report more granular exposure information for each foreign country where the exposure exceeds the lesser of 0.75 percent of total assets or 15 percent of total capital, which is the current Part B threshold. In addition, the proposed changes to the FFIEC 009a would add six columns of information that report on immediate-counterparty claims. These revisions were proposed to be effective as of the December 31, 2022, report date.

To help institutions better understand these proposed revisions, the TFOR prepared and posted draft redlined report forms and instructions to the FFIEC 009 and FFIEC 009a web pages on the FFIEC website.

On August 11, 2022, a final 30-day PRA [Federal Register notice](#)² was published indicating that the agencies were moving forward with the revision as proposed, but with certain modifications. These modifications were in response to the comment letter received on the initial 60-day PRA *Federal Register* notice. The OMB approved this revision and a three-year extension on September 21, 2022. The revisions took effect as of the December 31, 2022, report date.

¹ 87 FR 3170, January 20, 2022.

² 87 FR 49647, August 11, 2022.

Central Data Repository

The CDR Steering Committee implemented a number of system enhancements in 2022 to improve Call Report and UBPR functionality. Analysts can now add notes for future changes and descriptive information after taxonomy publication. On the UBPR, enhancements were made to user functionality for selecting both report dates and supplemental savings peer groups. Additionally, the UBPR bulk file generation was enhanced to include data not directly displayed on the report.

In May 2022, CDR enhancements to support the collection and publication of the FDIC's Summary of Deposits data series were completed. These enhancements involved creating a new CDR web service for the FDIC's BankFind Suite and adding branch functionality to delete individual change codes assigned to the branch.

In September 2022, CDR was successfully migrated from the Unisys data centers to the Microsoft Azure environment. This migration strategically positions the CDR for more efficient and advanced future capabilities in data management and accessibility.

Instructional Guidance

A TFOR working group conducted monthly inter-agency conference calls during 2022 to discuss instructional matters pertaining to FFIEC reports and related accounting issues to reach uniform inter-agency positions on these issues.

Task Force on Supervision

The TFOS coordinates and oversees matters addressing safety and soundness and related risks arising in the supervision and examination of institutions supervised by the FFIEC member entities (supervised institutions). The TFOS provides a forum for the FFIEC member entities to promote quality, consistency, and effectiveness, and reduce burdens in examination and other supervisory practices on supervised institutions. While significant issues and recommendations are referred to the Council for consideration and action, the Council has delegated to the TFOS the authority to make certain decisions and recommendations, provided that no TFOS member dissents or requests review by the Council. Meetings are held monthly to address and resolve common supervisory issues. The TFOS also maintains supervisory communication protocols to be used in emergencies. These protocols, established by the TFOS, are periodically tested through exercises with TFOS members and key supervisory personnel.

The TFOS has three permanent subcommittees. It also establishes temporary subcommittees to handle individual projects and assignments, as needed.

- The IT Subcommittee serves as a forum to address supervisory and examination principles, standards, and training concerning information systems and technology utilized by supervised institutions and their technology service providers. The IT Subcommittee develops and maintains the IT Examination Handbook, which consists of a series of topical booklets addressing issues such as information security, management, and audits. This resource is available through an InfoBase on the FFIEC website. In conjunction with the TFEE, the IT Subcommittee sponsors an annual IT Conference for examiners and periodically holds symposia on emerging information technology and related risks. The IT Subcommittee regularly coordinates with TFOS's Cybersecurity and Critical Infrastructure Subcommittee (CCIS) (formerly known as the Cybersecurity and Critical Infrastructure Working Group) in situations where supervisory issues overlap.
- The CCIS was formed in June 2013 in response to the increasing sophistication and volume of cyber threats that pose significant risks to financial institutions and their service providers. The CCIS coordinates to address vulnerabilities, threats, and incidents related to critical infrastructure security and the resilience of supervised institutions and their service providers. The CCIS's coordination efforts include ongoing communications with the intelligence community, law enforcement, homeland security, and other public and private sector entities on cybersecurity and critical infrastructure. The CCIS also serves as a forum to communicate, collaborate, and build on existing efforts to support and strengthen the activities of other interagency and private sector groups that promote financial services sector cybersecurity and critical infrastructure security and resilience.
- The Anti-Money Laundering/Countering the Financing of Terrorism (AML/CFT) Subcommittee (formerly known as the Bank Secrecy Act/Anti-Money Laundering Working Group) seeks to enhance coordination of principles, standards, and training in relation to AML/CFT supervision and examinations. Subcommittee coordination includes continuing communication between the federal and state banking authorities, and the U.S. Department of the Treasury Financial Crimes Enforcement Network (FinCEN). The AML/CFT Subcommittee builds on existing efforts and works to strengthen the activities of other formal and informal interagency groups providing oversight of related policy matters. The group's responsibilities include maintaining the BSA/AML Examination Manual, available through an InfoBase on the FFIEC website.

2022 Initiatives

Pandemic Event Response

As FFIEC members continued to respond to the pandemic event both individually and on an interagency basis outside the auspices of the FFIEC, the TFOS regularly discussed COVID-19-related supervision matters to promote best practices and consistent application of examination policies.

Cybersecurity Priorities

In 2022, the CCIS continued work on key cybersecurity areas, including risk management and oversight, threat intelligence and collaboration, cybersecurity controls, and cyber incident management and resilience. The CCIS focused efforts on ransomware and multi-factor authentication in 2022.

Cybersecurity Resource Guide

In September 2022, the CCIS updated the Cybersecurity Resource Guide for Financial Institutions. The programs and tools in the guide are designed for, or otherwise available to, financial institutions. The purpose of the guide is to help financial institutions meet their security control objectives and prepare to respond to cyber incidents. Ransomware incidents continue to evolve in severity and complexity impacting the financial sector and other critical infrastructure organizations. The update includes ransomware-specific resources to address this ongoing threat.

Cybersecurity Webinar

In recognition of National Critical Infrastructure Security and Resilience Month, on November 18, 2022, the CCIS hosted an Industry Outreach webinar focusing on MFA. During the event, representatives from FinCEN and CCIS discussed operational resilience and the use of MFA, including related decision making and FFIEC guidance.

Cybersecurity Messaging

In 2022, the CCIS issued timely messages on significant cybersecurity issues and information to supervised institutions. Some of these included messaging on the Cybersecurity and Infrastructure Security Agency (CISA) 'Shields-Up' website to promote awareness of current cybersecurity threats and mitigations; the joint Cybersecurity Advisory on Understanding and Mitigating Russian State-Sponsored Cyber Threats to U.S. Critical Infrastructure by CISA, Federal Bureau of Investigations, and National Security Administration; and regular messaging to inform supervised entities of the availability of the Department of the Treasury's Office of Cybersecurity and Critical Infrastructure Protection monthly unclassified threats exchange.

Information Technology

The IT Subcommittee continued to coordinate on IT supervisory matters, emerging technology issues, and updates to the FFIEC IT Examination Handbook, which supports the FFIEC members' supervisory programs and provides guidance to examiners.

The IT Subcommittee's Document Management Working Group continues to update the FFIEC IT Examination Handbook booklets with a focus on the "Development and Acquisition," "Information Security," and "Audit" booklets in 2022. The working group will also update the "Supervision of Technology Service Provider" booklet to reflect FFIEC member entity efforts related to third-party risk. In 2022, the IT Subcommittee rescinded the "E-Banking" booklet, as relevant content was migrated to the remaining booklets.

Information Technology Outreach

In August 2022, the IT Subcommittee sponsored its annual IT Conference for examiners using a virtual format. The conference highlighted current and emerging technology issues affecting insured financial institutions and their service providers. The conference included nine presentations on a range of topics including cybersecurity attack techniques and impacts from geopolitical events, ransomware

response, artificial intelligence/machine learning threat detection and bias prevention, and banking as a service. More than 530 examiners attended the conference.

Information Technology Symposium

The IT Subcommittee sponsored a two-week symposium in November 2021, focused on the benefits and challenges of financial institutions implementing zero trust architectures. In 2022, the TFOS members decided that information developed during the symposium will be integrated into the “Information Security” booklet of the FFIEC IT Examination Handbook as it is updated.

Anti-Money Laundering/Countering the Financing of Terrorism

Throughout 2022, the AML/CFT Subcommittee continued to coordinate AML/CFT training, guidance, and policy. The subcommittee continued to develop updates to the FFIEC BSA/AML Examination Manual. The subcommittee sponsored its 16th Advanced BSA/AML Specialists Conference in June 2022, which included presentations on a range of topics, such as human trafficking, illicit finance trends, cannabis-related businesses, Office of Foreign Assets Control sanction regulations, and money service businesses.

The Anti-Money Laundering Act of 2020 (AML Act) was passed as part of the National Defense Authorization Act, effective January 1, 2021. The AML Act significantly amends the BSA for the first time since the 2001 Patriot Act. The AML/CFT Subcommittee continues to work with the FinCEN and the federal banking agencies on implementing the various aspects of the AML Act.

Appraisal Bias Subcommittee

On August 9, 2022, the TFOS established the Appraisal Bias Subcommittee (ABS) as a temporary subcommittee to share information and to develop safety and soundness examination principles to support the implementation of goals and commitments made by individual TFOS member agencies in the March 2022 report issued by the PAVE.¹ The ABS is focusing on identifying principles of safety and soundness examinations that would aid in the review of supervised institutions’ residential real estate appraisal and evaluation programs in assessing the risks from appraisal bias to an institution. In its work, the ABS is meeting regularly and coordinating with the Appraisal Bias Working Group established under the TFCC to address examination procedures related to consumer protection risks associated with bias in residential appraisals.

¹ Refer to the [“Action Plan to Advance Property Appraisal and Valuation Equity: Closing the Racial Wealth Gap by Addressing Mis-valuations for Families and Communities of Color”](#) (March 2022).

Task Force on Surveillance Systems

The Task Force on Surveillance Systems (TFSS) oversees the development and implementation of uniform interagency surveillance and monitoring systems. It provides a forum for the members to discuss best practices to be used in those systems and to consider the development of new financial analysis tools. The TFSS's principal objective is to develop and produce the quarterly Uniform Bank Performance Report (UBPR). UBPRs present financial data of individual financial institutions and peer group statistics for current and historical periods. These reports are important tools for completing supervisory evaluations of a financial institution's condition and performance as well as for planning onsite examinations. The federal and state banking agencies also use the data from these reports in their automated monitoring systems to identify potential or emerging risks in insured financial institutions.

A UBPR is produced for each insured bank and savings association in the United States that is supervised by the FRB, FDIC, or OCC. While the UBPR is principally designed to meet the examination and surveillance needs of the federal and state banking agencies, the TFSS also makes the UBPR available to financial institutions and the public via a website at <https://cdr.ffiec.gov/public/ManageFacsimiles.aspx>.

The TFSS has utilized three long-standing working groups to assist with carrying out its responsibilities. The Content Working Group reviews the content of the UBPR and makes recommendations to the TFSS for potential enhancements. The Supplementary Analysis Working Group provides a forum for exchanging information about various analytical tools and datasets currently used at the respective agencies. The Technology Working Group explores ways to improve the UBPR's usability, including the development of various presentation options (i.e., graphs and charts).

During 2022, the TFSS conducted a review of current operations and subgroups. Results of this review

included the renaming of the Content Working Group to the UBPR Content Subcommittee. Further, the Technology Working Group and Supplemental Analysis Working Group were disbanded and their functions are now overseen at the TFSS level or by the UBPR Content Subcommittee.

2022 Initiatives

UBPR Content Subcommittee

The UBPR Content Subcommittee made progress on the UBPR five-year review plan developed and approved in 2021. The plan will review many of the UBPR pages over five years with the review started in 2022 and planned to conclude in 2026.

As part of this review, the subcommittee proposed, and the TFSS approved, an updated UBPR Summary Ratios page with five ratios added and seven ratios removed. The UBPR coordinators implemented this updated page with notification to UBPR users in October at https://www.ffiec.gov/pdf/UBPR/2022_UBPRContentReviewUserMemo.pdf.

The subcommittee enhanced the analytical content of the UBPR earlier in the year by adding the following three new ratios as part of the five year review:

- three-year growth rate of non-owner occupied commercial real estate (Analysis of Concentrations of Credit – Page 7B),
- non-current loans plus other real estate owned as a percentage of tier 1 capital (Analysis of Past Due, Nonaccrual & Restructured – Page 8A), and
- pre-provision net revenue ratio, a measure of core income (Summary Ratios – Page 1).

The subcommittee proposed, and the agencies funded, two additional UBPR pages for implementation in 2023. These two new pages will allow UBPR users to better ascertain quarterly income trends and better understand the drivers of changes to overall net income.

Supplementary Analysis Working Group

No projects were implemented this year. Ongoing discussions about analytical tools at the various agencies will occur at the TFSS or subcommittee level going forward.

Technology Working Group

The Technology Working Group implemented three CDR-user functionality enhancements with the approval of the TFSS during 2022. Two of the enhancements fixed functionality issues on the UBPR Fiduciary Services pages and the List of Banks in Peer Group Report. The third enhancement added concepts not directly used on the UBPR to the bulk data files. Ongoing discussions about UBPR technological enhancements at the various agencies will occur at the TFSS or subcommittee level going forward.

UBPR Production and Delivery

During 2022, UBPRs as of December 31, 2021; March 31, 2022; June 30, 2022; and September 30, 2022, were produced and delivered to federal and state banking agencies. Additionally, the UBPR section of the FFIEC website was utilized to deliver the same data to financial institutions and the public. The TFSS strives to deliver the most up-to-date UBPR data to all users. Thus, the data for the current quarter are updated nightly and the data for previous quarters are updated regularly. Frequent updating also allows the UBPR to remain synchronized with new Call Report data as it is being submitted by financial institutions.

UBPR Information on the FFIEC Website

UBPR Availability

To provide broad industry and public access to information about the financial condition of insured financial institutions, the TFSS publishes UBPR data for each institution shortly after the underlying Call Report is filed in the CDR. UBPR data is frequently refreshed to reflect amendments to underlying Call Reports and to incorporate any content-based changes agreed to by the TFSS. The online UBPRs are dynamic reports that closely synchronize with the underlying Call Report. UBPR reports can be accessed at <https://cdr.ffiec.gov/public/ManageFacsimiles.aspx>.

Other UBPR Reports

Web-based statistical reports supporting UBPR analysis are available and updated nightly for the current quarter and regularly for previous quarters. These reports (1) provide bank management with a quick one-page summary of a bank's financial condition; (2) summarize the performance of all UBPR peer groups (determined by size, location, and business line); (3) detail the distribution of UBPR performance ratios for financial institutions in each of the peer groups; (4) list the individual financial institutions included in each peer group; and (5) compare a financial institution to the performance of a user-defined custom peer group.

Custom Peer Group Tool

The Custom Peer Group Tool allows industry professionals, regulators, and the public to create and save custom peer groups based on financial and geographical criteria. The tool can then display all UBPR pages with peer group statistics and percentile rankings derived from the custom peer group. The Custom Peer Group Tool can recompute the entire UBPR using a custom peer group of up to 2,000 financial institutions and deliver the results within seconds.

Bulk Data Download

The UBPR database within the CDR, which contains all data appearing on report pages for all financial institutions, may be downloaded as either a delimited file or in XBRL format. The service is free, and downloads are typically fast. The bulk data download feature can be accessed at <https://cdr.ffiec.gov/public/PWS/DownloadBulkData.aspx>.

Additional information about the UBPR, including status, descriptions of changes, and the UBPR User's Guide, can be found at www.ffiec.gov/UBPR.htm.

The site also provides access to the reports described above. For questions about the UBPR, contact support by calling 1-888-237-3111 or emailing cdr.help@cdr.ffiec.gov.

*The Federal Financial Institution
Regulatory Agencies and their
Supervised Institutions*



The FRB, FDIC, OCC, and NCUA have primary federal supervisory jurisdiction over 9,697 domestically chartered banks, savings associations, and federally insured credit unions. On December 31, 2022, these financial institutions held total assets of more than \$28.7 trillion. The FRB has primary federal supervisory responsibility for commercial bank holding companies (BHCs) and for savings and loan holding companies (SLHCs).

Three banking agencies on the Council have authority to oversee the operations of U.S. branches and agencies of foreign banks. The International Banking Act of 1978 (IBA) authorizes the OCC to license federal branches and agencies of foreign banks and authorizes the FRB to approve applications for both federal and state branches and agencies. Prior to the Federal Deposit Insurance Corporation Improvement Act of 1991 (FDICIA), foreign banks could establish federal and state branches that accepted retail deposits and were insured by the FDIC. However, after FDICIA, foreign banks that wish to operate entities in the

U.S. that accept retail deposits must organize under separate insured U.S. subsidiaries. Existing insured retail branches may continue to operate as branches. The IBA also subjects those U.S. offices of foreign banks to many provisions of the Federal Reserve Act of 1913. The IBA gives primary examining authority to the OCC for federal branches and agencies and to the FRB in conjunction with state authorities for state branches and agencies. The FDIC also has authority, along with the OCC and FRB, as appropriate, over those few remaining insured branches of foreign banks. The IBA also gives the FRB residual examining authority over all U.S. banking operations of foreign banks.

The Dodd-Frank Act provides statutory authority to the CFPB to conduct examinations of insured depository entities with total assets over \$10 billion and their affiliates (in addition to certain nonbank entities) to ensure consumer financial products and services conform to certain federal consumer financial laws.



Board of Governors of the Federal Reserve System

The Federal Reserve System was established in 1913. It is headed by a seven-member Board of Governors (Board). Each member is appointed by the President, with the advice and consent of the Senate, for a 14-year term, unless completing an unexpired term of a departing member. Subject to confirmation by the Senate, the President selects one Board member to serve a four-year term as Chair and two members to serve as Vice Chairs; one serves in the absence of the Chair and the other is designated as Vice Chair for Supervision. The Chair also serves as a voting member of the FSOC. One member of the Board serves as the Board's representative to the FFIEC. The Board's activities most relevant to the work of the FFIEC are the following

- overseeing the quality and efficiency of the examination and supervision function of the 12 Federal Reserve Banks;
 - developing, issuing, implementing, and communicating regulations, supervisory policies, and guidance, and taking appropriate enforcement actions applicable to those organizations that are within the Board's supervisory oversight authority;
 - approving or denying applications for mergers, acquisitions, and changes in control by state member banks, SLHCs, and BHCs (including financial holding companies (FHCs)); applications for foreign operations of member banks and Edge Act and agreement corporations; and applications by foreign banks to establish or acquire U.S. banks and to establish U.S. branches, agencies, or representative offices; and
- supervising and regulating
 - state member banks (i.e., state-chartered banks that are members of the Federal Reserve System);
 - BHCs and SLHCs, including FHCs;¹
 - Edge Act and agreement corporations; select non-bank financial firms;
 - international operations of banking organizations headquartered in the United States and the domestic activities of foreign banking organizations, in conjunction with the responsible licensing authorities; as well as
 - nonbank financial firms designated as systemically important by FSOC.

¹ The FRB's role as supervisor of BHCs, FHCs, and SLHCs is to review and assess the consolidated organization's operations, risk-management systems, and capital adequacy to ensure that the holding company and its nonbank subsidiaries do not threaten the viability of the company's depository institutions. In this role, the FRB serves as the "umbrella supervisor" of the consolidated organization. In fulfilling this role, the FRB relies, to the fullest extent possible, on information and analysis provided by the appropriate supervisory authority of the company's depository institutions or securities or insurance subsidiaries.

Other supervisory and regulatory responsibilities of the FRB include monitoring compliance by entities under the FRB's jurisdiction with other statutes (e.g., the AML provisions of the BSA), monitoring compliance with certain statutes that protect consumers in credit and deposit transactions, regulating margin requirements on securities transactions, and regulating transactions between banking affiliates.

Policy decisions are implemented by the FRB or implemented under delegated authority to the Director of the Division of Supervision and Regulation, the Director of the Division of Consumer and Community Affairs, and to the 12 Federal Reserve Banks—each of which has operational responsibility within a specific geographical area. The Reserve Bank Districts are headquartered in Boston, New York, Philadelphia, Cleveland, Richmond, Atlanta, Chicago, St. Louis, Minneapolis, Kansas City, Dallas, and San Francisco. Each Reserve Bank has a president (chief executive officer) who serves for five years and is appointed by the Reserve Bank's class B and class C directors, and other executive officers who report directly to the president. Among other responsibilities, a Reserve Bank employs a staff of examiners who examine state member banks and Edge Act and agreement corporations, conduct BHC and SLHC inspections, and examine the international operations of

foreign banks—whose head offices are usually located within the Reserve Bank's District. When appropriate, examiners also visit the overseas offices of U.S. banking organizations to obtain financial and operating information to evaluate adherence to safe and sound banking practices.

National banks, which must be members of the Federal Reserve System, are chartered, regulated, and supervised by the OCC. State-chartered banks may apply to and be accepted for membership in the Federal Reserve System, after which they are subject to the supervision and regulation of the FRB, which is coordinated with the chartering state's banking authority. Insured state-chartered banks that are not members of the Federal Reserve System are regulated and supervised by the FDIC. The FRB also has overall responsibility for the supervision of foreign banking operations, including both U.S. banks operating abroad and foreign banks operating branches within the United States.

The Dodd-Frank Act, as amended by the Economic Growth, Regulatory Relief, Consumer Protection Act of 2018, directs the FRB to collect assessments, fees, and other charges that are equal to the expenses incurred by the Federal Reserve to carry out its responsibilities with respect to supervision of (1) BHCs and SLHCs with assets equal to or greater than \$100 billion and (2) all nonbank financial companies supervised by the FRB.



Consumer Financial Protection Bureau

The CFPB was created in 2010 by the Dodd-Frank Act, which gave the Bureau new authorities and transferred existing authorities from other federal agencies. On July 21, 2011, the CFPB assumed these authorities. The CFPB is an independent agency that is funded principally by transfers from the FRB, up to a statutory limit. Transfers from the FRB are requested in amounts that are reasonably necessary to carry out the Bureau’s mission. Since 2014, funding caps have been adjusted annually, based on the percentage increase in the employment cost index for the total compensation for state and local government workers, which is published by the federal government. The Director of the CFPB serves on the FDIC Board of Directors and the FSOC.

The CFPB seeks to make consumer financial markets work for consumers, responsible providers, and the economy as a whole. In a market that works, consumers are treated fairly; prices, risks, and terms are clear up front so that consumers can make informed choices; and companies all play by the same consumer protection rules and compete fairly on providing quality and service. To accomplish its mission, the Bureau uses its tools to promote competition, shift market power toward consumers and law-abiding businesses, and anticipate emerging risks to consumers.

The CFPB was created to provide a single point of accountability for enforcing federal consumer financial laws and protecting consumers in the financial marketplace. The Dodd-Frank Act

consolidated many of the existing consumer financial protection authorities, previously shared by seven federal agencies, under the CFPB. The Dodd-Frank Act also provided the Bureau with authorities to:

- conduct rulemaking, supervision and enforcement with respect to the federal consumer financial laws;
- handle consumer complaints and inquiries;
- promote financial education;
- research consumer behavior; and
- monitor financial markets for risks to consumers.

The CFPB has statutory authority to, among other things, conduct examinations of and require reports from entities subject to its supervisory authority. The CFPB has supervisory authority over:

- insured depository institutions and credit unions with total assets over \$10 billion, and their affiliates.
- certain nondepository entities regardless of size—mortgage companies (originators, brokers, and servicers, as well as related loan modification or foreclosure relief services firms), payday lenders, and private education lenders.
- “larger participants,” as defined by rule, in consumer financial markets. To date, the CFPB has published final rules that allow it to supervise larger participants in the following markets:

- consumer reporting market (these entities have more than \$7 million in annual receipts resulting from consumer reporting);
- consumer debt collection market (these entities have annual receipts of more than \$10 million resulting from consumer debt collection);
- student loan servicing market (these entities have account volumes that exceed one million);
- international money transfer market (these entities have at least one million aggregate annual international money transfers); and
- auto finance market (these entities make, acquire, or refinance 10,000 or more loans or leases annually).
- certain nondepository entities that it determines are posing a risk to consumers in connection with the offering or provision of consumer financial products or services.
- service providers to any of the entities listed above, to a certain extent.

The CFPB’s supervisory and enforcement activities are conducted by the Division of Supervision, Enforcement, and Fair Lending. The Division is headquartered in Washington, D.C., with regional offices in San Francisco (West), Chicago (Midwest), New York (Northeast), and Atlanta (Southeast). Examination staff is assigned to each of the four regions.



Federal Deposit Insurance Corporation

Congress created the FDIC in 1933 to promote stability and public confidence in our nation's financial system. The FDIC accomplishes its mission by insuring deposits, examining and supervising financial institutions for safety and soundness and consumer protection, making large and complex financial institutions resolvable, and managing receiverships. In its unique role as deposit insurer, the FDIC works in cooperation with other federal and state regulatory agencies to identify, monitor, and address risks to the Deposit Insurance Fund (DIF) posed by insured depository institutions.

Management of the FDIC is vested in a five-member Board of Directors. No more than three board members may be of the same political party. Three of the directors are appointed by the President, by and with the advice and consent of the Senate, for six-year terms. One of the three appointed directors is designated by the President, by and with the advice and consent of the Senate, as Chairman for a five-year term and another is designated as Vice Chairman. The other two board members are the Comptroller of the Currency and the Director of the CFPB. The Chairman also serves as a member of the FSOC.

Operational Structure

The FDIC's operations are organized into three major program areas: insurance, supervision, and receivership management. A description of each of these areas follows.

Insurance

The FDIC maintains stability and public confidence in our nation's financial system by providing deposit insurance. As insurer, the FDIC continually evaluates and effectively manages how changes in the economy, financial markets, and banking system affect the adequacy and viability of the DIF. When an insured depository institution fails, the FDIC ensures that the financial institution's customers have timely access to their insured deposits.

The FDIC, through its Division of Insurance and Research, provides the public with a sound deposit insurance system by publishing comprehensive statistical information on banking; identifying and analyzing emerging risks; conducting research that supports deposit insurance, banking policy, and risk assessment; assessing the adequacy of the DIF; and maintaining a risk-based premium system.

The Dodd-Frank Act revised the statutory authorities governing the FDIC's management of the DIF. As a result, the FDIC has developed a comprehensive, long-term management plan for the DIF to reduce the effects of cyclicity and achieve moderate, steady assessment rates throughout economic and credit cycles, while also maintaining a positive fund balance, even during a banking crisis. The plan sets an appropriate target fund size and a strategy for setting assessment rates and dividends.

As a result of extraordinary insured deposit growth resulting from actions taken by monetary and fiscal authorities, individuals, businesses, and financial market participants in response to the pandemic,

in the first and second quarters of 2020, the DIF reserve ratio declined below the minimum of 1.35 percent. On September 15, 2020, the FDIC adopted a Restoration Plan to restore the reserve ratio to at least 1.35 percent within eight years, as required by the Federal Deposit Insurance Act (FDI Act). To improve the likelihood that the reserve ratio will reach the statutory minimum within that timeframe, the FDIC Board subsequently amended the Restoration Plan to incorporate an increase in assessment rate schedules of 2 basis points for all insured depository institutions, which began in January 2023.

Supervision

The FDIC has primary federal supervisory authority over insured state-chartered banks that are not members of the Federal Reserve System and for state-chartered savings associations. The FDIC, through its role as deposit insurer, has backup examination and enforcement authority over all FDIC-insured institutions. Accordingly, the FDIC can examine for insurance purposes any insured financial institution, either independently or in cooperation with state or other federal supervisory authorities. The FDIC can also recommend that the appropriate federal banking agency take enforcement action against an insured institution and may do so itself if it deems necessary. The Dodd-Frank Act expanded the FDIC's responsibilities pertaining to systemically important financial institutions (SIFIs) and non-bank financial companies designated by the FSOC.

The FDIC's supervisory activities for risk management and consumer protection are primarily organized into two divisions: the Division of Risk Management Supervision (RMS) and the Division of Depositor and Consumer Protection (DCP). RMS oversees the safety and soundness of FDIC-supervised institutions and carries out the FDIC's backup examination and enforcement authorities for institutions with total assets less than \$100 billion. DCP is responsible for the FDIC's consumer protection supervisory functions, including its examination and enforcement programs for FDIC-supervised institutions with assets of \$10 billion or less. Under the Dodd-Frank Act, the FDIC also retains examination and supervisory authority for several laws and regulations, including the Community Reinvestment Act, without regard to the size of an institution.

RMS and DCP are further organized into six regional offices located in Atlanta, Chicago, Dallas, Kansas City, New York, and San Francisco. There is one area office located in Boston and reporting to New York. In addition to the regional and area offices, the FDIC maintains 76 field offices for risk management and 71 field offices for compliance.

The Division of Complex Institution Supervision and Resolution (CISR) oversees the FDIC's systemic risk responsibilities under the Dodd-Frank Act and the FDI Act, including resolution plan reviews, resolution planning for large and complex financial institutions under the FDIC's Orderly Liquidation Authority and the FDI Act, and promoting cross-border cooperation and coordination as part of that planning. As part of its responsibilities, CISR carries out the FDIC's backup examination authorities for institutions with total assets of \$100 billion or more.

Receivership Management

Resolutions for insured depository institutions with assets under \$100 billion are handled by the FDIC's Division of Resolutions and Receiverships (DRR). When an insured depository institution fails, the chartering authority typically appoints the FDIC as receiver. In carrying out its receivership responsibility, the FDIC employs a variety of strategies to ensure the prompt payment of deposit insurance to insured depositors and at the least costly transaction to the DIF. DRR maintains personnel in the Washington, DC Headquarters Office, the FDIC's Regional Office in Dallas, as well as various other FDIC regional offices.

CISR is responsible for leading the FDIC's resolution planning and preparedness for large and complex financial institutions under the FDI Act and the Orderly Liquidation Authority, as applicable. As a general matter, all insolvent bank holding companies are expected to file for reorganization or liquidation under the U.S. Bankruptcy Code, just as any failed nonfinancial company would. The Orderly Liquidation Authority gives the FDIC an alternative to resolve a failing financial company when bankruptcy would have serious adverse effects on U.S. financial stability. This authority is triggered after recommendations by the appropriate federal agencies and a determination by the Secretary of the Treasury in consultation with the President. The Orderly Liquidation Authority imposes accountability on shareholders, creditors, and the management of the failed company, while mitigating systemic risk and imposing no cost on taxpayers.



National Credit Union Administration

The NCUA, established by Congress in 1970 through section 1752a of the Federal Credit Union Act, is the independent federal agency that regulates, charters, and supervises the nation's federal credit union system. With the backing of the full faith and credit of the United States, the NCUA operates and manages the National Credit Union Share Insurance Fund, insuring the deposits of account holders in all federal credit unions and the overwhelming majority of state-chartered credit unions.

The NCUA has a full-time, three-member Board appointed by the President of the United States and confirmed by the Senate. No more than two Board members can be from the same political party, and each member serves a staggered six-year term. The President selects one board member to serve as the Chairman. The Chairman also serves on FSOC.

The NCUA's mission is to protect the system of cooperative credit and its member-owners through effective chartering, supervision, regulation, and insurance. Specifically, the NCUA's responsibilities include

- chartering, regulating, and supervising more than 3,000 federal credit unions in the United States and its territories;

- administering the National Credit Union Share Insurance Fund, which insures member share accounts in more than 4,800 federal and state-chartered credit unions; and
- managing the Central Liquidity Facility, which serves as a source of emergency liquidity to the credit union system during periods of financial and economic stress.

The NCUA also has statutory authority to examine and supervise federally insured, state-chartered credit unions in coordination with state regulators.

The NCUA relies upon more than 1,200 employees to perform all the vital tasks in the agency's examination, consumer protection, and regulatory roles, including onsite examinations and supervision of each federal credit union and selected state chartered credit unions. The agency operates a central office in Alexandria, Virginia; an Asset Management and Assistance Center, located in Austin, Texas, to liquidate credit unions and recover assets; and three regional offices.

The NCUA is funded by the credit unions it regulates and insures.



Office of the Comptroller of the Currency

The OCC is the oldest federal bank regulatory agency, established as a bureau of the U.S. Treasury Department by the National Currency Act of 1863. It is headed by the Comptroller of the Currency, who is appointed to a five-year term by the President with the advice and consent of the Senate. The Comptroller is also a director of the FDIC and NeighborWorks America, and a member of the FSOC.

The OCC was created by Congress to charter, regulate, and supervise national banks. On July 21, 2011, pursuant to the Dodd-Frank Act, the OCC assumed supervisory responsibility for federal savings associations, as well as rulemaking authority relating to all savings associations. The OCC regulates and supervises 782 national banks and trust companies, 261 federal savings associations, and 50 federal branches and agencies of foreign banks. Of these banks, 784 have less than \$1 billion in assets, while 54 have more than \$10 billion. In total, these banks account for approximately 65 percent of the total assets of all U.S. commercial banks, savings associations, and branches of foreign banks. The OCC seeks to ensure that national banks and federal savings associations (collectively "banks") safely and soundly manage their risks, comply with applicable laws and regulations, compete effectively with other providers of financial services, offer products and services that meet the needs of customers, and provide fair access to financial services and fair treatment of their customers.

The OCC's mission-critical programs include

- chartering banks and issuing interpretations related to permissible banking activities;
- establishing and communicating regulations, policies, and operating guidance applicable to banks; and
- supervising the national system of banks and savings associations through on-site examinations, off-site monitoring, systemic risk analyses, and appropriate enforcement activities.

The OCC maintains a nationwide staff of bank examiners and other professional and support personnel. The OCC's midsize and community bank supervision is organized into six regions, with a network of offices in cities across the United States. The OCC maintains core examiner teams in the largest national banking companies. The agency is headquartered in Washington, D.C.

The Comptroller receives advice on policy and operational issues from an Executive Committee comprised of senior agency officials who lead major business units.

The OCC is funded primarily by semiannual assessments on banks, interest revenue from its investment in U.S. Treasury securities, and other fees. The OCC does not receive congressional appropriations for any of its operations.

Assets, Liabilities, and Net Worth of U.S. Commercial Banks, Savings Institutions, and Credit Unions as of December 31, 2022

Billions of dollars

Item	Total	U.S. Commercial Banks ¹			U.S. Branches and Agencies of Foreign Banks ⁵	Savings Institutions ³		Credit Unions ²	
		National	State Member ⁴	State Non-member		OCC Regulated Federal Charter	FDIC Regulated State Charter ⁶	Federal Charter	State Charter
Total assets	28,711	14,631	3,997	4,135	2,933	539	308	1,084	1,084
Total loans and receivables (net)	14,594	6,974	1,757	2,745	1,063	338	218	744	755
Loans secured by real estate ⁷	6,662	2,755	910	1,725	105	192	184	384	407
Consumer loans ⁸	2,769	1,348	191	393	-	130	8	357	342
Commercial and industrial loans	2,966	1,676	333	382	525	15	24	5	6
All other loans and lease receivables ⁹	2,404	1,309	347	288	433	13	4	5	5
LESS: Allowance for loan and lease losses	207	114	24	43	-	12	2	7	5
Federal funds sold and securities purchased under agreements to resell	905	564	64	12	265	0	0	0	0
Cash and balances due from depository institutions ¹⁰	2,771	1,665	625	241	22	36	14	88	80
Securities and other obligations ¹¹	6,495	3,644	1,255	853	162	139	56	193	193
U.S. government obligations ¹²	2,027	1,134	248	196	59	18	41	161	170
Obligations of state and local governments ¹³	394	155	77	140	-	5	6	6	5
Other securities	4,074	2,355	930	517	103	116	9	26	18
Other assets ¹⁴	3,946	1,784	296	284	1,421	26	20	59	56
Total liabilities	26,303	13,244	3,660	3,723	2,933	491	275	986	991
Total deposits and shares ¹⁵	22,305	11,792	3,343	3,398	1,241	430	251	922	928
Federal funds purchased and securities sold under agreements to repurchase	740	203	43	27	464	1	2	0	0
Other borrowings ¹⁶	1,456	586	182	238	285	48	18	49	50
Other liabilities ¹⁷	1,802	663	92	60	943	12	4	15	13
Net worth ¹⁸	2,408	1,387	337	412	-	48	33	98	93
Memorandum: Number of institutions reporting	9,697	769	701	2,742	183	253	289	2,981	1,779

Note: The tables cover institutions, including those in Puerto Rico and U.S. territories and possessions, insured by the FDIC or the NCUA. All branches and agencies of foreign banks in the United States, but excluding any in Puerto Rico and U.S. territories and possessions, are covered whether or not insured. Excludes Edge Act and agreement corporations that are not subsidiaries of U.S. commercial banks.

Footnotes to Tables

¹ Reflects fully consolidated statements of FDIC-insured U.S. commercial banks—including their foreign branches, foreign subsidiaries, branches in Puerto Rico and U.S. territories and possessions, and FDIC insured banks in Puerto Rico and U.S. territories and possessions. Excludes bank holding companies.

² Data are for federally insured natural person credit unions only.

³ Reflects fully consolidated statements of savings institutions—including stock savings banks, mutual savings banks, stock savings & loan associations, and mutual savings & loan associations that are federally chartered or that are state chartered and not federal reserve members.

⁴ Includes state member savings banks and state member cooperative banks.

⁵ These institutions are not required to file reports of income.

⁶ Includes state chartered savings associations formerly regulated by the Office of Thrift Supervision.

⁷ Includes loans secured by residential property, commercial property, farmland (including improvements), and unimproved land; and construction loans secured by real estate.

Notes continue on the next page

Income and Expenses of U.S. Commercial Banks, Savings Institutions, and Credit Unions for the Twelve Months Ending December 31, 2022

Billions of dollars

Item	Total	U.S. Commercial Banks ¹			Savings Institutions ³		Credit Unions ²	
		National	State Member ⁴	State Non-member	OCC Regulated Federal Charter	FDIC Regulated State Charter ⁶	Federal Charter	State Charter
Operating income:	1,141	641	164	193	36	12	49	46
Interest and fees on loans	624	320	77	134	23	9	32	29
Other interest and dividend income	130	73	25	18	3	1	5	5
All other operating income	387	248	62	41	10	2	12	12
Operating expenses:	785	439	109	125	27	9	39	37
Salaries and benefits	295	161	40	49	8	5	16	16
Interest on deposits and shares	97	52	17	16	2	1	5	4
Interest on other borrowed money	31	19	5	4	1	0	1	1
Provision for loan and lease losses	56	31	6	10	4	0	3	2
All other operating expenses	306	176	41	46	12	3	14	14
Net operating income	356	202	55	68	9	3	10	9
Securities gains and losses	(1)	(1)	0	0	0	0	0	0
Discontinued operations	0	0	0	0	0	0	-	-
Income taxes	68	40	11	14	2	1	-	-
Net income	287	161	44	54	7	2	10	9
Memorandum: Number of institutions reporting	9,514	769	701	2,742	253	289	2,981	1,779

⁸Includes loans, except those secured by real estate, to individuals for household, family, and other personal expenditures including both installment and single payment loans. Net of unearned income on installment loans.

⁹Includes loans to financial institutions, for purchasing or carrying securities, to finance agricultural production and other loans to farmers (except those secured by real estate), to states and political subdivisions and public authorities, and miscellaneous types of loans.

¹⁰Includes vault cash, cash items in process of collection, and balances with United States and foreign banks and other depository institutions (including demand and time deposits and certificates of deposit for all categories of institutions).

¹¹Includes government and corporate securities, including mortgage-backed securities and obligations of states and political subdivisions and of U.S. government agencies and corporations.

¹²U.S. Treasury securities and securities of, and loans to, U.S. government agencies and corporations.

¹³Securities issued by states and political subdivisions and public authorities, except for U.S. branches and agencies of foreign banks that do not report these securities separately. Loans to states and political subdivisions and public authorities are included in "All other loans and lease receivables."

¹⁴Customers' liabilities on acceptances, real property owned, various accrual accounts, and miscellaneous assets. For U.S.

branches and agencies of foreign banks, also includes net due from head office and other related institutions.

¹⁵Includes demand, savings, and time deposits, (including certificates of deposit at commercial banks, U.S. branches and agencies of foreign banks, and savings banks), credit balances at U.S. agencies of foreign banks and share balances at credit unions (including certificates of deposit, NOW accounts, and share draft accounts). For U.S. commercial banks, includes deposits in foreign offices, branches in U.S. territories and possessions, and Edge Act and agreement corporation subsidiaries.

¹⁶Includes interest-bearing demand notes issued to the U.S. Treasury, borrowing from Federal Reserve Banks and Federal Home Loan Banks, subordinated debt, limited life preferred stock, and other nondeposit borrowing.

¹⁷Includes depository institutions' own mortgage borrowing, liability for capitalized leases, liability on acceptances executed, various accrual accounts, and miscellaneous liabilities. For U.S. branches and agencies of foreign banks, also includes net amount owed to head office and other related institutions.

¹⁸Includes capital stock, surplus, capital reserves, and undivided profits.

Note: Data are rounded to nearest billion. Consequently some information may not reconcile precisely. Additionally, balances less than \$500 million will show as zero. Dashes will be used for items not requiring reporting.

*Appendix A:
Selected Relevant Statutes*

Table of Contents

Federal Financial Institutions Examination Council Act of 1978 (Pub. L. 95-630, title X)	44
Excerpt from Economic Growth and Regulatory Paperwork Reduction Act of 1996	47
Excerpt from Financial Institutions Reform, Recovery, and Enforcement Act of 1989	47
Excerpt from Home Mortgage Disclosure Act of 1975	48

NOTE: In the interest of representing the official statutory text in the U.S. Code, formatting styles have been applied throughout this section as faithfully as possible.

Selected Relevant Statutes

Federal Financial Institutions Examination Council Act of 1978 (Pub. L. 95-630, title X)

Sec. 1002. (12 U.S.C. § 3301). Declaration of purpose

It is the purpose of this chapter to establish a Financial Institutions Examination Council which shall prescribe uniform principles and standards for the Federal examination of financial institutions by the Office of the Comptroller of the Currency, the Federal Deposit Insurance Corporation, the Board of Governors of the Federal Reserve System, the Federal Home Loan Bank Board, and the National Credit Union Administration and make recommendations to promote uniformity in the supervision of these financial institutions. The Council's actions shall be designed to promote consistency in such examination and to insure progressive and vigilant supervision.

Sec. 1003. (12 U.S.C. § 3302). Definitions

As used in this chapter—

(1) the term “Federal financial institutions regulatory agencies” means the Office of the Comptroller of the Currency, the Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, the Office of Thrift Supervision, and the National Credit Union Administration;

(2) the term “Council” means the Financial Institutions Examination Council; and

(3) the term “financial institution” means a commercial bank, a savings bank, a trust company, a savings association, a building and loan association, a homestead association, a cooperative bank, or a credit union;²

² So in original. Should be a period in this excerpt format.

Sec. 1004. (12 U.S.C. § 3303). Financial Institutions Examination Council

(a) Establishment; composition

There is established the Financial Institutions Examination Council which shall consist of—

(1) the Comptroller of the Currency,

(2) the Chairman of the Board of Directors of the Federal Deposit Insurance Corporation,

(3) a Governor of the Board of Governors of the Federal Reserve System designated by the Chairman of the Board,

(4) the Director of the Consumer Financial Protection Bureau,

(5) the Chairman of the National Credit Union Administration Board; and

(6) the Chairman of the State Liaison Committee.

(b) Chairmanship

The members of the Council shall select the first chairman of the Council. Thereafter the chairmanship shall rotate among the members of the Council.

(c) Term of office

The term of the Chairman of the Council shall be two years.

(d) Designation of officers and employees

The members of the Council may, from time to time, designate other officers or employees of their respective agencies to carry out their duties on the Council.

(e) Compensation and expenses

Each member of the Council shall serve without additional compensation but shall be entitled to reasonable expenses incurred in carrying out his official duties as such a member.

Sec. 1005. (12 U.S.C. § 3304). Costs and expenses of Council

One-fifth of the costs and expenses of the Council, including the salaries of its employees, shall be paid by each of the Federal financial institutions regulatory agencies. Annual assessments for such share shall be levied by the Council based upon its projected budget for the year, and additional assessments may be made during the year if necessary.

Sec. 1006. (12 U.S.C. § 3305). Functions of Council

(a) Establishment of principles and standards

The Council shall establish uniform principles and standards and report forms for the examination of financial institutions which shall be applied by the Federal financial institutions regulatory agencies.

(b) Making recommendations regarding supervisory matters and adequacy of supervisory tools

(1) The Council shall make recommendations for uniformity in other supervisory matters, such as, but not limited to, classifying loans subject to country risk, identifying financial institutions in need of special supervisory attention, and evaluating the soundness of large loans that are shared by two or more financial institutions. In addition, the Council shall make recommendations regarding the adequacy of supervisory tools for determining the impact of holding company operations on the financial institutions within the holding company and shall consider the ability of supervisory agencies to discover possible fraud or questionable and illegal payments and practices which might occur in the operation of financial institutions or their holding companies.

(2) When a recommendation of the Council is found unacceptable by one or more of the applicable Federal financial institutions regulatory agencies, the agency or agencies shall submit to

the Council, within a time period specified by the Council, a written statement of the reasons the recommendation is unacceptable.

(c) Development of uniform reporting system

The Council shall develop uniform reporting systems for federally supervised financial institutions, their holding companies, and nonfinancial institution subsidiaries of such institutions or holding companies. The authority to develop uniform reporting systems shall not restrict or amend the requirements of section 12(i) of the Securities Exchange Act of 1934.

(d) Conducting schools for examiners and assistant examiners

The Council shall conduct schools for examiners and assistant examiners employed by the Federal financial institutions regulatory agencies. Such schools shall be open to enrollment by employees of State financial institutions supervisory agencies and employees of the Federal Housing Finance Board under conditions specified by the Council.

(e) Affect on Federal regulatory agency research and development of new financial institutions supervisory agencies

Nothing in this chapter shall be construed to limit or discourage Federal regulatory agency research and development of new financial institutions supervisory methods and tools, nor to preclude the field testing of any innovation devised by any Federal regulatory agency.

(f) Annual report

Not later than April 1 of each year, the Council shall prepare an annual report covering its activities during the preceding year.

(g) Flood insurance

The Council shall consult with and assist the Federal entities for lending regulation, as such term is defined in 42 U.S.C. § 4121(a), in developing and coordinating uniform standards and requirements for use by regulated lending institutions under the national flood insurance program.

Sec. 1007. (12 U.S.C. § 3306). State liaison

To encourage the application of uniform examination principles and standards by State and Federal

supervisory agencies, the Council shall establish a liaison committee composed of five representatives of State agencies which supervise financial institutions which shall meet at least twice a year with the Council. Members of the liaison committee shall receive a reasonable allowance for necessary expenses incurred in attending meetings. Members of the Liaison Committee shall elect a chairperson from among the members serving on the committee.

Sec. 1008. (12 U.S.C. § 3307). Administration

(a) Authority of Chairman of Council

The Chairman of the Council is authorized to carry out and to delegate the authority to carry out the internal administration of the Council, including the appointment and supervision of employees and the distribution of business among members, employees, and administrative units.

(b) Use of personnel, services, and facilities of Federal financial institutions regulatory agencies, Federal Reserve banks, and Federal Home Loan Banks.

in³ addition to any other authority conferred upon it by this chapter, in carrying out its functions under this chapter, the Council may utilize, with their consent and to the extent practical, the personnel, services, and facilities of the Federal financial institutions regulatory agencies, Federal Reserve banks, and Federal Home Loan Banks, with or without reimbursement therefor.

(c) Compensation, authority, and duties of officers and employees; experts and consultants

In addition, the Council may—

(1) subject to the provisions of title 5 of the United States Code relating to the competitive service, classification, and General Schedule pay rates, appoint and fix the compensation of such officers and employees as are necessary to carry out the provisions of this chapter, and to prescribe the authority and duties of such officers and employees; and

(2) obtain the services of such experts and consultants as are necessary to carry out the provisions of this chapter.

³ So in original. Should be capitalized in this excerpt format.

Sec. 1009. (12 U.S.C. § 3308). Access to books, accounts, records, etc., by Council

For the purpose of carrying out this chapter, the Council shall have access to all books, accounts, records, reports, files, memorandums, papers, things, and property belonging to or in use by Federal financial institutions regulatory agencies, including reports of examination of financial institutions or their holding companies from whatever source, together with workpapers and correspondence files related to such reports, whether or not a part of the report, and all without any deletions.

Sec. 1009A. (12 U.S.C. § 3309). Risk management training

(a) Seminars

The Council shall develop and administer training seminars in risk management for its employees and the employees of insured financial institutions.

(b) Study of risk management training program

Not later than end of the 1-year period beginning on August 9, 1989, the Council shall—

(1) conduct a study on the feasibility and appropriateness of establishing a formalized risk management training program designed to lead to the certification of Risk Management Analysts; and

(2) report to the Congress the results of such study.

Sec. 1011. (12 U.S.C. § 3310). Establishment of Appraisal Subcommittee

There shall be within the Council a subcommittee to be known as the “Appraisal Subcommittee”, which shall consist of the designees of the heads of the Federal financial institutions regulatory agencies, the Bureau of Consumer Financial Protection, and the Federal Housing Finance Agency. Each such designee shall be a person who has demonstrated knowledge and competence concerning the appraisal profession. At all times at least one member of the Appraisal Subcommittee shall have demonstrated knowledge and competence through licensure, certification, or professional designation within the appraisal profession.

Excerpt from Economic Growth and Regulatory Paperwork Reduction Act of 1996

Sec. 2222. (12 U.S.C. § 3311). Required review of regulations

(a) In general

Not less frequently than once every 10 years, the Council and each appropriate Federal banking agency represented on the Council shall conduct a review of all regulations prescribed by the Council or by any such appropriate Federal banking agency, respectively, in order to identify outdated or otherwise unnecessary regulatory requirements imposed on insured depository institutions.

(b) Process

In conducting the review under subsection (a) of this section, the Council or the appropriate Federal banking agency shall—

(1) categorize the regulations described in subsection (a) of this section by type (such as consumer regulations, safety and soundness regulations, or such other designations as determined by the Council, or the appropriate Federal banking agency); and

(2) at regular intervals, provide notice and solicit public comment on a particular category or categories of regulations, requesting commentators to identify areas of the regulations that are outdated, unnecessary, or unduly burdensome.

(c) Complete review

The Council or the appropriate Federal banking agency shall ensure that the notice and comment period described in subsection (b)(2) of this section is conducted with respect to all regulations described in subsection (a) of this section not less frequently than once every 10 years.

(d) Regulatory response

The Council or the appropriate Federal banking agency shall—

(1) publish in the Federal Register⁴ a summary of the comments received under this section,

identifying significant issues raised and providing comment on such issues; and

(2) eliminate unnecessary regulations to the extent that such action is appropriate.

(e) Report to Congress

Not later than 30 days after carrying out subsection (d)(1) of this section, the Council shall submit to the Congress a report, which shall include—

(1) a summary of any significant issues raised by public comments received by the Council and the appropriate Federal banking agencies under this section and the relative merits of such issues; and

(2) an analysis of whether the appropriate Federal banking agency involved is able to address the regulatory burdens associated with such issues by regulation, or whether such burdens must be addressed by legislative action.

Excerpt from Financial Institutions Reform, Recovery, and Enforcement Act of 1989

Sec. 1103. (12 U.S.C. § 3332). Functions of Appraisal Subcommittee

(a) In general

The Appraisal Subcommittee shall—

(1) monitor the requirements established by States—

(A) for the certification and licensing of individuals who are qualified to perform appraisals in connection with federally related transactions, including a code of professional responsibility; and

(B) for the registration and supervision of the operations and activities of an appraisal management company;

(2) monitor the requirements established by the Federal financial institutions regulatory agencies with respect to—

⁴ So in original. Should probably appear in italics font.

(A) appraisal standards for federally related transactions under their jurisdiction, and

(B) determinations as to which federally related transactions under their jurisdiction require the services of a State certified appraiser and which require the services of a State licensed appraiser;

(3) maintain a national registry of State certified and licensed appraisers who are eligible to perform appraisals in federally related transactions;

(4) Omitted.

(5) transmit an annual report to the Congress not later than June 15 of each year that describes the manner in which each function assigned to the Appraisal Subcommittee has been carried out during the preceding year. The report shall also detail the activities of the Appraisal Subcommittee, including the results of all audits of State appraiser regulatory agencies, and provide an accounting of disapproved actions and warnings taken in the previous year, including a description of the conditions causing the disapproval and actions taken to achieve compliance; and

(6) maintain a national registry of appraisal management companies that either are registered with and subject to supervision of a State appraiser certifying and licensing agency or are operating subsidiaries of a Federally regulated financial institution.

(b) Monitoring and reviewing foundation

The Appraisal Subcommittee shall monitor and review the practices, procedures, activities, and organizational structure of the Appraisal Foundation.

Sec. 1104. (12 U.S.C. § 3333). Chairperson of Appraisal Subcommittee; term of Chairperson; meetings

(a) Chairperson

The Council shall select the Chairperson of the subcommittee. The term of the Chairperson shall be 2 years.

(b) Meetings; quorum; voting

The Appraisal Subcommittee shall meet in public session after notice in the Federal Register, but may close certain portions of these meetings related to personnel and review of preliminary State audit reports, at the call of the Chairperson or a majority of its members when there is business to be conducted. A majority of members of the Appraisal Subcommittee shall constitute a quorum but 2 or more members may hold hearings. Decisions of the Appraisal Subcommittee shall be made by the vote of a majority of its members. The subject matter discussed in any closed or executive session shall be described in the Federal Register notice of the meeting.

Excerpt from Home Mortgage Disclosure Act of 1975

Sec. 302. (12 U.S.C. § 2801). Congressional findings and declaration of purpose

(a) Findings of Congress

The Congress finds that some depository institutions have sometimes contributed to the decline of certain geographic areas by their failure pursuant to their chartering responsibilities to provide adequate home financing to qualified applicants on reasonable terms and conditions.

(b) Purpose of chapter

The purpose of this chapter is to provide the citizens and public officials of the United States with sufficient information to enable them to determine whether depository institutions are filling their obligations to serve the housing needs of the communities and neighborhoods in which they are located and to assist public officials in their determination of the distribution of public sector investments in a manner designed to improve the private investment environment.

(c) Construction of chapter

Nothing in this chapter is intended to, nor shall it be construed to, encourage unsound lending practices or the allocation of credit.

* * * * *

Sec. 304. (12 U.S.C. § 2803). Maintenance of records and public disclosure

(f) Data disclosure system; operation, etc.

The Federal Financial Institutions Examination Council, in consultation with the Secretary [of Housing and Urban Development], shall implement a system to facilitate access to data required to be disclosed under this section. Such system shall include arrangements for a central depository of data in each primary metropolitan statistical area, metropolitan statistical area, or consolidated metropolitan statistical area that is not comprised of designated primary metropolitan statistical areas. Disclosure statements shall be made available to the public for inspection and copying at such central depository of data for all depository institutions which are required to disclose information under this section (or which are exempt pursuant to 12 U.S.C. § 2805(b) of this title) and which have a home office or branch office within such primary metropolitan statistical area, metropolitan statistical area, or consolidated metropolitan statistical area that is not comprised of designated primary metropolitan statistical areas.

Sec. 310. (12 U.S.C. § 2809). Compilation of aggregate data

(a) Commencement; scope of data and tables

Beginning with data for calendar year 1980, the Federal Financial Institutions Examination

Council shall compile each year, for each primary metropolitan statistical area, metropolitan statistical area, or consolidated metropolitan statistical area that is not comprised of designated primary metropolitan statistical areas, aggregate data by census tract for all depository institutions which are required to disclose data under 12 U.S.C. § 2803 of this title or which are exempt pursuant to 12 U.S.C. § 2805(b) of this title. The Council shall also produce tables indicating, for each primary metropolitan statistical area, metropolitan statistical area, or consolidated metropolitan statistical area that is not comprised of designated primary metropolitan statistical areas, aggregate lending patterns for various categories of census tracts grouped according to location, age of housing stock, income level, and racial characteristics.

(b) Staff and data processing resources

The Bureau [of Consumer Financial Protection] shall provide staff and data processing resources to the Council to enable it to carry out the provisions of subsection (a) of this section.

(c) Availability to public

The data and tables required pursuant to subsection (a) of this section shall be made available to the public by no later than December 31 of the year following the calendar year on which the data is based.

*Appendix B:
2022 Audit Report*

Table of Contents

Office of Inspector General	52
KPMG Independent Auditor's Report	53
Federal Financial Institutions Examination Council Balance Sheets	56
Federal Financial Institutions Examination Council Statements of Operations	57
Federal Financial Institutions Examination Council Statements of Cash Flows	58
Federal Financial Institutions Examination Council Notes to Financial Statements	59



Office of Inspector General

Board of Governors of the Federal Reserve System
Consumer Financial Protection Bureau

February 22, 2023

Federal Financial Institutions Examination Council
3501 Fairfax Drive, E-2035-C
Arlington, VA 22226-3550

Dear Members of the Federal Financial Institutions Examination Council:

This letter transmits the Independent Auditors' Report prepared by KPMG LLP on the Federal Financial Institutions Examination Council's (FFIEC) financial statements. The Office of Inspector General contracted with KPMG to audit the financial statements of the FFIEC as of and for the years ended December 31, 2022 and 2021.

The contract requires the audit to be performed in accordance with the auditing standards generally accepted in the United States of America and in accordance with the standards applicable to financial audits contained in *Government Auditing Standards*, which is issued by the comptroller general of the United States. We reviewed and monitored the work of KPMG to ensure compliance with the contract. KPMG is responsible for the accompanying Independent Auditors' Reports, dated February 22, 2023.

We do not express an opinion on the FFIEC's financial statements. In addition, we do not draw conclusions on the Independent Auditors' Reports.

Sincerely,

A handwritten signature in black ink that reads "Mark Bialek" with a stylized flourish at the end.

Mark Bialek
Inspector General

cc: Judith Dupre, Executive Secretary, FFIEC
Frank Kressman, Chair, FFIEC Legal Advisory Group, and General Counsel, National Credit Union Administration
Ricardo A. Aguilera, Chief Financial Officer, Board of Governors of the Federal Reserve System



KPMG LLP
Suite 12000
1801 K Street, NW
Washington, DC 20006

Independent Auditors' Report

The Federal Financial Institutions Examination Council:

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Federal Financial Institutions Examination Council (the Council), which comprise the balance sheets as of December 31, 2022 and 2021, and the related statements of operations, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Council as of December 31, 2022 and 2021, and the results of its operations and its cash flows for the years then ended in accordance with U.S. generally accepted accounting principles.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial statement audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Council and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with U.S. generally accepted accounting principles, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Council's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.



In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Council's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Council's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements as of and for the year ended December 31, 2022, we considered the Council's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Council's internal control. Accordingly, we do not express an opinion on the effectiveness of the Council's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Council's financial statements as of and for the year ended December 31, 2022 are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.



Purpose of the Other Reporting Required by Government Auditing Standards

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Council's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Council's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

KPMG LLP

Washington, DC
February 22, 2023

Federal Financial Institutions Examination Council
Balance Sheets

	As of December 31,	
	2022	2021
ASSETS		
CURRENT ASSETS:		
Cash	\$ 3,889,063	\$ 1,770,777
Accounts receivable from member agencies	425,994	707,617
Accounts receivable from non-members agencies—net	<u>6,900</u>	<u>3,375</u>
Total current assets	<u>4,321,957</u>	<u>2,481,769</u>
NON-CURRENT ASSETS:		
Operating lease real estate right-of-use-asset	1,012,374	1,347,388
Operating lease equipment right-of-use-assets	<u>56,362</u>	<u>122,975</u>
Total non-current assets	<u>1,068,736</u>	<u>1,470,363</u>
TOTAL ASSETS:	\$ <u>5,390,693</u>	\$ <u>3,952,132</u>
LIABILITIES AND CUMULATIVE RESULTS OF OPERATIONS		
CURRENT LIABILITIES:		
Accounts payable and accrued liabilities payable to member agencies	\$ 1,920,206	\$ 517,419
Accounts payable and accrued liabilities payable to non-member agencies	317,350	304,998
Accrued annual leave	105,914	145,876
Deferred revenue	311,200	-
Operating lease payable	<u>395,057</u>	<u>399,499</u>
Total current liabilities	<u>3,049,727</u>	<u>1,367,792</u>
LONG-TERM LIABILITIES:		
Operating lease payable	<u>695,286</u>	<u>1,090,343</u>
Total long-term liabilities	<u>695,286</u>	<u>1,090,343</u>
Total liabilities	<u>3,745,013</u>	<u>2,458,135</u>
CUMULATIVE RESULTS OF OPERATIONS	<u>1,645,680</u>	<u>1,493,997</u>
TOTAL LIABILITIES AND CUMULATIVE RESULTS OF OPERATIONS	\$ <u>5,390,693</u>	\$ <u>3,952,132</u>

See notes to financial statements.

Federal Financial Institutions Examination Council
Statements of Operations

	For the years ended December 31,	
	<u>2022</u>	<u>2021</u>
REVENUES:		
Central Data Repository	\$ 3,429,150	\$ 3,520,624
Tuition	4,374,670	3,977,213
Assessments on member agencies	1,654,459	1,598,914
Community Reinvestment Act	475,080	492,023
Uniform Bank Performance Report	662,601	639,145
Other Revenues	<u>681,700</u>	<u>570,270</u>
Total revenues	<u>11,277,660</u>	<u>10,798,189</u>
EXPENSES:		
Professional fees	4,901,104	4,812,039
Salaries and related benefits	3,574,373	3,329,813
Data processing	1,156,780	1,062,293
Administration fees	1,002,400	967,506
Rental of office space	339,386	339,386
Travel	26,726	20
Rental and maintenance of office equipment	79,137	82,027
Other seminar expenses	6,523	9
Office and other supplies	18,980	23,617
Printing	9,075	4,182
Miscellaneous	<u>11,493</u>	<u>8,928</u>
Total expenses	<u>11,125,977</u>	<u>10,629,820</u>
RESULTS OF OPERATIONS	151,683	168,369
CUMULATIVE RESULTS OF OPERATIONS—Beginning of year	<u>1,493,997</u>	<u>1,325,628</u>
CUMULATIVE RESULTS OF OPERATIONS—End of year	\$ <u>1,645,680</u>	\$ <u>1,493,997</u>

See notes to financial statements.

Federal Financial Institutions Examination Council
 Statements of Cash Flows

	For the years ended December 31,	
	<u>2022</u>	<u>2021</u>
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES:		
Results of operations	\$ 151,683	\$ 168,369
Adjustments to reconcile results of operations to net cash from operating activities:		
Net operating lease assets and payables (current and non-current)	2,128	19,479
(Increase) decrease in assets:		
Accounts receivable from member agencies	281,623	(173,162)
Accounts receivable from non-member agencies	(3,525)	(3,375)
Increase (decrease) in liabilities:		
Accounts payable and accrued liabilities payable to member agencies	1,402,787	(555,055)
Other accounts payable and accrued liabilities payable to non-member agencies	12,352	3,446
Accrued annual leave	(39,962)	22,255
Deferred revenue (current and non-current)	<u>311,200</u>	<u>-</u>
Net cash from (used in) operating activities	2,118,286	(518,043)
NET INCREASE (DECREASE) IN CASH	2,118,286	(518,043)
CASH BALANCE—Beginning of year	<u>1,770,777</u>	<u>2,288,820</u>
CASH BALANCE—End of year	\$ <u>3,889,063</u>	\$ <u>1,770,777</u>

See notes to financial statements.

Federal Financial Institutions Examination Council

Notes to Financial Statements as of and for the Years Ended December 31, 2022 and 2021

1. Organization and Purpose

The Federal Financial Institutions Examination Council (the Council) was established under title X of the Financial Institutions Regulatory and Interest Rate Control Act of 1978. The purpose of the Council is to prescribe uniform principles and standards for the federal examination of financial institutions and to make recommendations to promote uniformity in the supervision of these financial institutions. The Council has six voting members. The five federal agencies represented on the Council during 2022, referred to collectively as member agencies, are as follows:

- Board of Governors of the Federal Reserve System (FRB)
- Consumer Financial Protection Bureau (CFPB)
- Federal Deposit Insurance Corporation (FDIC)
- National Credit Union Administration (NCUA)
- Office of the Comptroller of the Currency (OCC)

In accordance with the Financial Services Regulatory Relief Act of 2006, a rotating representative state regulator was added as a full voting member of the Council in October 2006.

The Council was given additional statutory responsibilities by section 340 of the Housing and Community Development Act of 1980, Public Law 96-399. Among these responsibilities is the implementation of a system, in consultation with the Secretary of the Department of Housing and Urban Development (HUD), to facilitate public access to data that depository institutions must disclose under the Home Mortgage Disclosure Act of 1975 (HMDA) and the aggregation of annual HMDA data, by census tract, for each metropolitan statistical area.

On July 21, 2010, the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act) was signed into law. This legislation gave the CFPB general rule-writing responsibility for federal consumer financial laws and the HMDA supervisory and enforcement authority. The CFPB, as part of these responsibilities, developed a new HMDA processing system that replaced the HMDA processing system maintained by the FRB. The Council is performing the collection and billing activity for the new HMDA processing system developed by the Bureau. The activity includes the member agencies and HUD. As a collecting entity, the Council does not recognize the transfers from member agencies as revenue nor does the Council use the collections to fund Council expenses; the funds are transferred to the CFPB.

The Council is performing the collection and billing activity for the Computational Tools product services developed by the FRB. The activity includes the member agencies. Similar to the collection activity for the CFPB, the Council does not recognize the transfers from member agencies as revenue nor does the Council use the collections to fund Council expenses; the funds are transferred to the FRB.

The Council's financial statements do not include financial data for the Council's Appraisal Subcommittee (the Subcommittee). The Subcommittee was created pursuant to Public Law 101-73, title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989. Although it is a subcommittee of the Council, the Appraisal Subcommittee maintains separate financial records and administrative processes. The Council is not responsible for any debts incurred by the Appraisal Subcommittee, nor are Appraisal Subcommittee funds available for use by the Council.

Notes continue on the following page.

2. Significant Accounting Policies

Basis of Accounting—The Council prepares its financial statements in accordance with accounting principles generally accepted in the United States (GAAP).

Revenues—Assessments are made on member organizations to fund the Council’s operations based on expected cash needs and are recognized as revenue in the period in which they are assessed. Amounts over- or under-assessed due to differences between assessments and actual expenses are presented in the Council’s Statements of Operations in the “Cumulative results of operations” line item during the year and then may be used to offset or increase the next year’s assessment. Deficits in “Cumulative results of operations” can be recouped in the following year’s assessments.

The Council provides training seminars, in the Washington, D.C. area and at locations throughout the country for member organizations, other federal agencies, and state organizations. Due to COVID-19 pandemic, the Council did not conduct any in-person training in 2021. All Council training was delivered virtually in 2021. In 2022, the Council conducted a combination of in person and virtual training. The Council recognizes revenue from member agencies for the production and distribution of the Uniform Bank Performance Reports (UBPR) through the FDIC. Tuition and UBPR revenue are adjusted at year-end to match expenses incurred as a result of providing education classes and UBPR services. For differences between revenues and expenses, member agencies are assessed an additional amount or credited a refund based on each member’s proportional cost for the examiner education and UBPR budget. The Council recognizes revenue from member agencies for expenses incurred related to the Central Data Repository (CDR) processing system, the Community Reinvestment Act (CRA) processing system, and the Geocoder and Census Product Services (Other Revenues).

Equipment and Software—Equipment is recorded at cost less accumulated depreciation. Depreciation is

calculated on a straight-line basis over the estimated useful lives of the assets, which range from three to five years. Upon the sale or other disposition of a depreciable asset, the cost and related accumulated depreciation are removed and any gain or loss is recognized. Costs incurred to acquire software are capitalized based on the purchase price. Costs incurred during the application development stage to develop internal-use software are capitalized based on the cost of direct services and materials associated with designing, coding, installing, and testing the software. Capitalized software costs are amortized on a straight-line basis over the estimated useful lives of the software applications, which generally range from two to five years. Maintenance costs and minor replacements related to software are charged to operating expense in the year incurred. The CDR system, which consists of internally developed software projects, are recorded at cost less accumulated depreciation; unique useful lives are applied to these assets as appropriate.

Estimates—The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Significant items subject to such estimates include useful lives of the CDR and the HMDA processing systems previously maintained by the FRB.

Leases—Leases are identified in accordance with the Financial Accounting Standards Board (FASB), ASC 842. The Council’s leases involve lessee arrangements for office and classroom space and equipment that are classified as operating leases. The Council’s discount rate is based on a risk-free Treasury borrowing rate at lease commencement using a period comparable to the lease term. The Council elected to utilize the transition package of practical expedients permitted under Topic 842, which, among other things, allowed the Council to carry forward the historical lease classification.

Notes continue on the following page.

Additionally, the Council made an accounting policy election to exempt short-term leases (with an initial term of 12 months or less) from the provisions of Topic 842, which resulted in recognition of the related lease payments on a straight-line basis over the lease term, consistent with prior treatment under Topic 840. The Council did not elect the “hindsight” practical expedient when determining the lease terms under Topic 842.

Accounts Receivable—Accounts receivable for members and nonmembers are shown net of the allowance for doubtful accounts. Accounts receivable considered uncollectible are charged against the allowance account in the year they are deemed uncollectible. The allowance for doubtful accounts is adjusted monthly, based upon a review of outstanding receivables.

Prepaid Expenses—The Council recognizes expenses as prepaid for costs paid in advance that will be expensed with the passage of time or upon the occurrence of a triggering event in future periods.

Commitments and contingencies —Liabilities for loss contingencies arising from claims, assessments, litigation, and other sources are recorded when it is probable that a liability has been incurred and the amount can be reasonably estimated. Legal costs incurred in connection with loss contingencies are expensed as incurred.

Tax Exempt Status —The Council is not subject to state or local income taxes, and federal law does not impose taxes on the Council’s income.

3. Selected Transactions with Member Agencies

	<u>2022</u>	<u>2021</u>
<i>Accounts receivable:</i>		
Board of Governors of the Federal Reserve System	\$ 123,980	\$ 162,295
Consumer Financial Protection Bureau	18,000	42,433
Federal Deposit Insurance Corporation	139,759	289,469
National Credit Union Administration	18,000	42,433
Office of the Comptroller of the Currency	<u>126,255</u>	<u>170,987</u>
	<u>\$ 425,994</u>	<u>\$ 707,617</u>
<i>Accounts payable and accrued liabilities:</i>		
Board of Governors of the Federal Reserve System	\$ 870,604	\$ 416,108
Consumer Financial Protection Bureau	31,459	148
Federal Deposit Insurance Corporation	592,910	57,896
National Credit Union Administration	129,129	500
Office of the Comptroller of the Currency	<u>296,104</u>	<u>42,767</u>
	<u>\$ 1,920,206</u>	<u>\$ 517,419</u>
<i>Operations:</i>		
Council operating expenses reimbursed by members ¹	\$ 1,654,459	\$ 1,598,914
FRB-provided administrative support	\$ 1,002,400	\$ 967,506
FRB-provided data processing	\$ 1,156,780	\$ 1,062,293
<i>Tuition revenue:</i>		
Member tuition	\$ 4,242,045	\$ 3,852,563

¹ As part of the 2022 Budget, the Council approved \$311,200 for the Website Modernization Effort, but it has been delayed to 2023. As a result, the balance is reflected within Deferred Revenue under Current Liabilities.

Notes continue on the following page.

Member agencies of the Council detail personnel to support Council operations. The salaries and related costs presented on the Statement of Operations represent the amounts which the Council has reimbursed member agencies. These detailed personnel are paid through the payroll systems of their respective member agency. The Council does not have any post-retirement or post-employment benefit liabilities since Council personnel are included in the plans of the member agencies.

Member agencies are not reimbursed for the costs of personnel who serve as Council members and on the various task forces and committees of the Council. The value of these contributed services is not included in the accompanying financial statements.

4. Central Data Repository

In 2003, the Council entered into an agreement with Unisys to enhance the methods and systems used to collect, validate, process, and distribute Call Report information used by member organizations, and to store this information in the CDR. The CDR was placed into service in October 2005. Since 2005, the CDR has undergone several enhancements which extended its useful life. As December 31, 2022, the CDR asset value is \$21,839,856 and is fully depreciated. The Council also pays for hosting and maintenance expenses for the CDR and recognizes the associated revenue from members.

CDR Financial Activity — The Council is funding the project by billing the three participating Council member agencies (FRB, FDIC, and OCC). The accounts payable and accrued liabilities related to the CDR is \$263,000 and \$281,000 as of December 31, 2022 and 2021, respectively.

5. Leases

In 2020, the Council agreed to the option to extend for another five years an operating lease with the FDIC to secure office and classroom space and in February 2021 the agreement was officially executed. In 2018, the Council entered into operating leases for copier equipment. The Council's current lease arrangements expire through 2025.

The Council's lease population does not include any residual value guarantees, and therefore none were considered in the calculation of the right-of-use (ROU) asset and lease liability balances. The Council has leases that contain variable payments, most commonly in the form of common area maintenance charges, which are based on actual costs incurred. These variable payments were excluded from the calculation of the ROU asset and lease liability balances since they are not fixed or in-substance fixed payments.

For leases with terms greater than 12 months, the FFIEC records the related ROU assets and lease liabilities at the present value of lease payments over the lease terms. For leases with an initial term of 12 months or less (with purchase options or extension options that are not reasonably certain to be exercised), the Council does not record them on the balance sheet, but instead recognizes lease expense on a straight-line basis over the terms of the leases

Lease cost. The Council's lease cost was comprised of the following components for the years ended December 31, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Operating lease cost	\$ 407,535	\$ 407,535
Variable lease cost	10,987	13,878
Total lease cost	<u>\$ 418,522</u>	<u>\$ 421,413</u>

Notes continue on the following page.

Lease commitments. The Council's future minimum lease payments required under operating leases as of December 31, 2022 were as follows:

	<u>Operating Leases</u>
2023	398,650
2024	346,556
2025	351,349
Total lease payments	1,096,555
Less imputed interest	6,212
Present value of lease payments	1,090,343
Less current maturities of lease obligations	395,057
Long-term lease obligations	\$ <u>695,286</u>

In order to calculate the ROU asset and lease liability for a lease, Topic 842 requires that a lessee apply a discount rate equal to the rate implicit in the lease whenever that rate is readily determinable. The Council's lease agreements do not provide a readily determinable implicit rate, nor is the rate available to the Council from its lessors. Therefore, as permitted under Topic 842 for non-public business entities in such situations, management estimates the Council's risk-free rate (U.S. Treasury rate), as determined using a period comparable with that of the lease term. The risk-free rate, which is based on information available at either the implementation date of Topic 842 or at lease commencement for leases entered into subsequently, is used to discount the remaining lease payments to present value.

Additional lease information. Additional information related to the Council's leases as of December 31, 2022 and 2021 was as follows:

	<u>2022</u>	<u>2021</u>
<i>Weighted Average Remaining Lease Term</i>		
Operating leases	<u>2.89 years</u>	<u>3.82 years</u>
<i>Weighted Average Discount Rate</i>		
Operating leases	<u>0.43%</u>	<u>0.46%</u>

Supplemental cash flow information. Supplemental cash flow information related to the Council's leases as of December 31, 2022 and 2021 was as follows

	<u>2022</u>	<u>2021</u>
<i>Cash paid for amounts included in measurement of lease liabilities:</i>		
Operating cash flows from operating leases	\$ <u>416,394</u>	\$ <u>405,172</u>

6. Subsequent Events

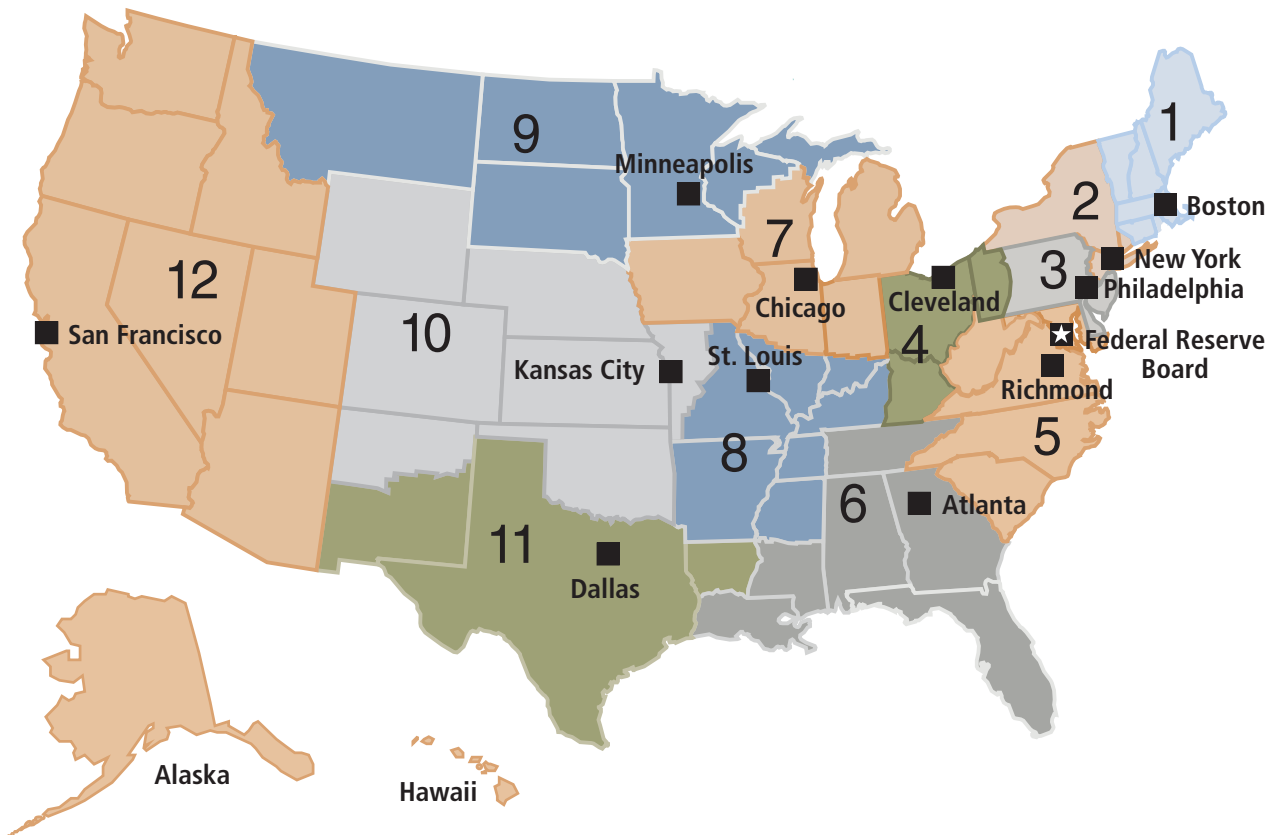
There were no subsequent events that require adjustments to or disclosures in the financial statements as of December 31, 2022. Subsequent events were evaluated through February 22, 2023, which is the date the financial statements were available to be issued.

*Appendix C:
Maps of Agency Regions
and Districts*

Table of Contents

Board of Governors of the Federal Reserve System	66
Consumer Financial Protection Bureau	67
Federal Deposit Insurance Corporation Supervisory Regions	68
National Credit Union Administration	69
Office of the Comptroller of the Currency	70

Board of Governors of the Federal Reserve System

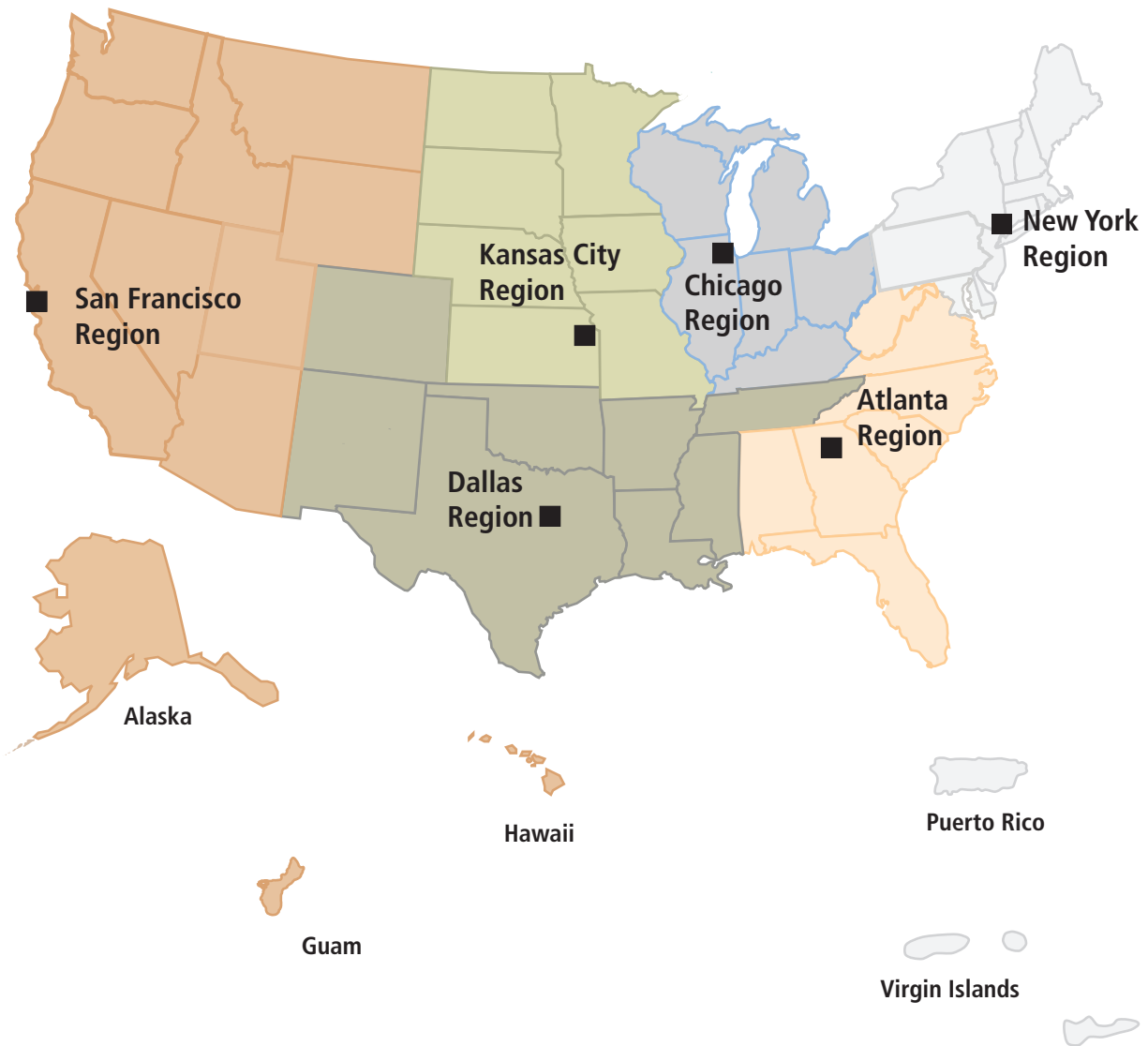


Notes: In the 12th District, the Seattle Branch serves Alaska, and the San Francisco Bank serves Hawaii. The System serves commonwealths and territories as follows: the New York Bank serves the Commonwealth of Puerto Rico and the U.S. Virgin Islands; the San Francisco Bank serves American Samoa, Guam, and the Commonwealth of the Northern Mariana Islands.

Consumer Financial Protection Bureau

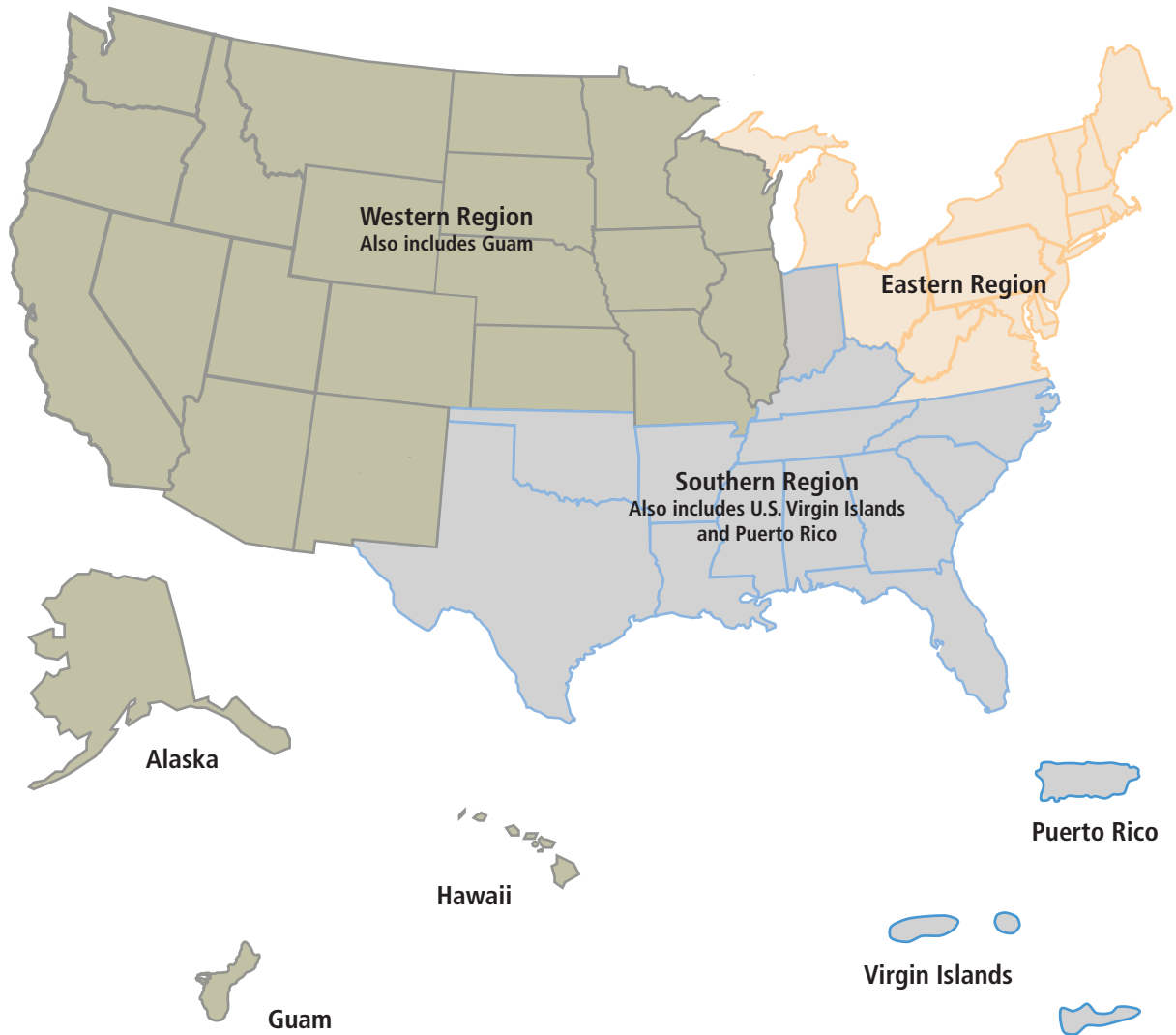


Federal Deposit Insurance Corporation Supervisory Regions

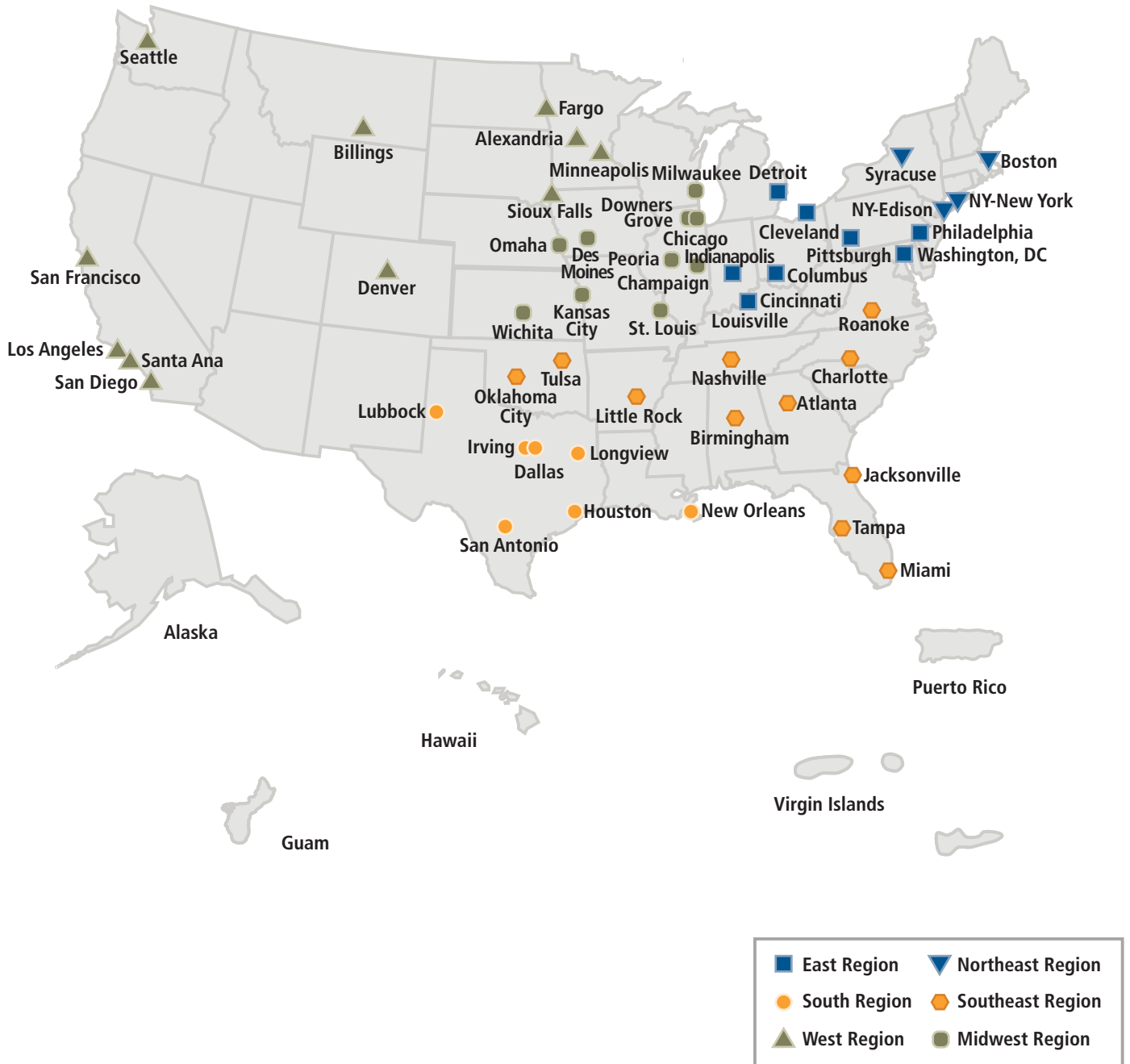


Note: One area office is located in Boston (reports to New York)

National Credit Union Administration



Office of the Comptroller of the Currency



*Appendix D:
Organizational Listing of
Personnel*

Table of Contents

Members of the Council	74
State Liaison Committee	74
Council Staff Officer	74
Interagency Staff Groups	74
Agency Liaison Group	74
Legal Advisory Group	74
Task Force on Consumer Compliance	75
Task Force on Examiner Education	75
Task Force on Information Sharing	75
Task Force on Reports	75
Task Force on Supervision	75
Task Force on Surveillance Systems	75

Organizational Listing of Personnel

December 31, 2022

Members of the Council

Todd M. Harper, *Chairman*
Chairman
National Credit Union Administration (NCUA)

Michael J. Hsu, *Vice Chairman*
Acting Comptroller of the Currency
Office of the Comptroller of the Currency (OCC)

Michael S. Barr
Member and Vice Chair for Supervision
Board of Governors of the
Federal Reserve System (FRB)

Martin J. Gruenberg
Acting Chairman
Federal Deposit Insurance Corporation (FDIC)

Rohit Chopra
Director
Consumer Financial Protection Bureau (CFPB)

Thomas C. Fite
Chairman
State Liaison Committee (SLC)
Director
Indiana Department of Financial Institutions

State Liaison Committee

Thomas C. Fite, *Chairman*
Director
Indiana Department of Financial Institutions

Kevin Allard
Superintendent
Ohio Division of Financial Institutions

Yolanda Ford
Deputy Superintendent
New York State Department of Financial
Services

Melanie Hall
Commissioner
Montana Division of Banking and Financial
Institutions

Susannah Marshall
Commissioner
Arkansas State Bank Department

Council Staff Officer

Judith Dupré
Executive Secretary

Interagency Staff Groups

Agency Liaison Group

Kelly Lay (NCUA)
Grovetta Gardineer (OCC)
Todd Vermilyea (FRB)
Doreen Eberley (FDIC)
David Bleicken (CFPB)
Mary Beth Quist
(SLC Representative/CSBS)

Legal Advisory Group

Frank Kressman, *Chair* (NCUA)
Benjamin W. McDonough (OCC)
Mark Van Der Weide (FRB)
Harrel Pettway (FDIC)
Seth Frotman (CFPB)
John Gorman
(SLC Representative/CSBS)

Task Force on Consumer Compliance

Drew Kohan, *Chair* (FRB)
Matthew Biliouris (NCUA)
Luke Brown (FDIC)
James Dewhirst
(SLC Representative/Tennessee)
Erin Jeweler (CFPB)
Vonda Eanes (OCC)

Task Force on Examiner Education

Joseph Arleth, *Chair* (CFPB)
Tracy Bergmann
(SLC Representative/Iowa)
Randy Berner (OCC)
Minh Farnsworth (FRB)
Shelvia Sims (NCUA)
John Vogel (FDIC)

Task Force on Information Sharing

Todd Roscoe, *Chair* (NCUA)
Jose Arocho (FDIC)
Chor Lim Fan (FRB)
William McHale (CFPB)
Shahrokh Molavi (OCC)
Patrick Welch
(SLC Representative/Mississippi)

Task Force on Reports

Cady Coddling, *Chair* (OCC)
Shannon Beattie (FDIC)
Matthew Canzater (NCUA)
Kara Garman
(SLC Representative/Iowa)
Kevin Littler (FRB)
William McHale (CFPB)

Task Force on Supervision

Grovetta Gardineer, *Chair* (OCC)
Kevin Allard
(SLC Representative/Ohio)
Doreen Eberley (FDIC)
Timothy Segerson (NCUA)
Todd Vermilyea (FRB)
Christopher Young (CFPB)

Task Force on Surveillance Systems

Jonathan Toman, *Chair* (OCC)
Matthew Canzater (NCUA)
Matt Mattson (FRB)
William McHale (CFPB)
Kristy Orr
(SLC Representative/Indiana)
Eric Walker (FDIC)



Federal Financial Institutions Examination Council

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2023