

FEDERAL RESERVE BANK OF SAN FRANCISCO  
101 MARKET STREET, SAN FRANCISCO, CALIFORNIA

August 22, 2005

**BANKING SUPERVISION AND REGULATION:  
SENIOR EXAMINERS POST-EMPLOYMENT  
RESTRICTIONS**

To State Member Banks, Bank  
Holding Companies, U.S. Branches  
and Agencies of Foreign Banks,  
and Others Concerned,  
in the Twelfth Federal Reserve District

**Agencies Propose Rules on Post-Employment Restrictions for Senior Examiners (Docket R-1230)**

The federal banking regulatory agencies have issued proposed rules to implement a special post-employment restriction on certain senior examiners employed by an agency or Federal Reserve Bank, as required by the Intelligence Reform and Terrorism Prevention Act of 2004.

Under the proposal, if an examiner serves as the senior examiner for a depository institution or depository institution holding company for two or more months during the examiner's final twelve months of employment with an agency or Reserve Bank, the examiner may not knowingly accept compensation as an employee, officer, director, or consultant from that institution or holding company, or from certain related entities. The restriction applies for one year after leaving the employment of the agency or Reserve Bank. If an examiner violates the one-year restriction, the Act requires the appropriate federal banking agency to seek an order of removal and industry-wide employment prohibition for up to five years, a civil money penalty of up to \$250,000, or both.

The agencies' proposed rules are substantively similar and vary slightly to reflect differences in the supervisory programs and jurisdictions of the agencies.

Comments on the proposed rules are due October 4, 2005.

**Additional Information**

All circulars and documents are available on the Internet through the Federal Reserve Bank of San Francisco's Internet site, at <http://www.frbsf.org/banking/letters>.

For additional information about the proposed rules, please contact our Banking Supervision and Regulation Department at (415) 974-2972.

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[Attachment: Docket R-1230](#)