

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

December 5, 2005

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

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 Issue Final Rules on Post-Employment Restrictions for Senior Examiners
(R-1230)**

The federal bank and thrift regulatory agencies have issued final 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 final rules, 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 Federal 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 prohibition for up to five years or a civil money penalty of up to \$250,000.

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

The final rules are effective on December 17, 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 final rules, please contact our Banking Supervision and Regulation Department at **(415) 944-2972**.

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[Attachment: Docket R-1230](#)