

Federal Reserve Bank of San Francisco
101 Market Street, San Francisco, California 94105

November 7, 2007

**BANKING SUPERVISION AND REGULATION:
EXPANDED EXAMINATION CYCLE FINAL RULES**

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

Final Rules on Expanded Examination Cycle for Certain Institutions

The federal bank and thrift agencies issued final rules on expanding the range of small institutions eligible for an extended 18-month on-site examination cycle. The final rules allow well-capitalized and well-managed banks and savings associations with up to \$500 million in total assets and a composite CAMELS rating of 1 or 2 to qualify for an 18-month (rather than a 12-month) on-site examination cycle.

Until recently, only institutions with less than \$250 million in total assets could qualify for an extended 18-month on-site examination cycle. The final rules also make parallel changes to the agencies' regulations governing the on-site examination cycle for U.S. branches and agencies of foreign banks consistent with the International Banking Act of 1978.

Identical to the proposed interim rules the agencies issued for public comment in April, the final rules implement section 605 of the Financial Services Regulatory Relief Act of 2006 and related provisions from the International Banking Act, both of which are already effective.

Additional Information

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

For additional information, please contact our Banking Supervision and Regulation Department at (415) 974-2585.

FEDERAL RESERVE BANK OF SAN FRANCISCO

Attachments: [Docket No. R-1279](#)