

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

June 6, 2012

To State Member Banks, Bank
Holding Companies, Financial Holding
Companies, Savings and Loan Holding Companies,
and Foreign Banking Offices
in the Twelfth Federal Reserve District

Agencies Sign Memorandum of Understanding on Supervisory Coordination

Five federal supervisory agencies, including the Board of Governors of the Federal Reserve System (Federal Reserve Board), on June 4, 2012 released a Memorandum of Understanding (MOU) that clarifies how the agencies will coordinate their supervisory activities, consistent with the Dodd-Frank Wall Street Reform and Consumer Protection Act (the Dodd-Frank Act).

Section 1025 of the Dodd-Frank Act requires that the Consumer Financial Protection Bureau (CFPB) and the prudential regulators-- Federal Reserve Board, the Federal Deposit Insurance Corporation, the National Credit Union Administration, and the Office of the Comptroller of the Currency--coordinate important aspects of their supervision of insured depository institutions with more than \$10 billion in assets and their affiliates. Such coordination includes scheduling examinations, conducting simultaneous examinations of covered depository institutions unless an institution requests separate examinations, and sharing draft reports of examination for comment.

The MOU is intended to establish arrangements for coordination and cooperation between the CFPB and the prudential regulators, minimize unnecessary regulatory burden, avoid unnecessary duplication of effort, and decrease the risk of conflicting supervisory directives.

Under the MOU, the agencies will coordinate examinations and other supervisory activities and share certain material supervisory information concerning:

- Compliance with federal consumer financial laws and certain other federal laws that regulate consumer financial products and services;
- Consumer compliance risk management programs;
- Activities such as underwriting, sales, marketing, servicing, collections, if they are related to consumer financial products or services; and
- Other related matters that the agencies may mutually agree upon.

These coordination undertakings should lead to greater uniformity and efficiencies in supervision and help to minimize regulatory burden on covered depository institutions.

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:

Federal Reserve Bank of San Francisco
Banking Supervision and Regulation
(801) 322-7853

Attachment: [Memorandum of Understanding on Supervisory Coordination \(247 KB PDF\)](#)