

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

November 25, 2013

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

CA 13-19 Community Bank Risk-Focused Consumer Compliance Supervision Program
CA 13-20 Consumer Compliance and Community Reinvestment Act Examination Frequency Policy

On November 18, 2013, the Federal Reserve issued two policy letters: [CA 13-19 Community Bank Risk Focused Consumer Compliance Supervision Program](#) and [CA 13-20 Consumer Compliance and Community Reinvestment Act \(CRA\) Examination Frequency Policy](#). Both policies relate to the Federal Reserve's supervision program and are effective January 1, 2014.

CA 13-19 Community Bank Risk-Focused Consumer Compliance Supervision Program

The *Community Bank Risk-Focused Consumer Compliance Supervision Program* ("Program"), which is applicable to state member banks with consolidated assets of \$10 billion or less and their subsidiaries (community banking organizations), is designed to promote strong compliance risk management practices and consumer protection at state member community banks. Under the updated program, consumer compliance examiners will base the examination intensity more explicitly on the individual financial institution's risk profile, including its consumer compliance culture and how effectively it identifies and manages consumer compliance risk. We expect the new program will enhance the efficiency of our supervision program and reduce regulatory burden on many community banking organizations.

Please refer to the [Community Bank Risk-Focused Consumer Compliance Supervision Program Executive Summary](#) for an overview of the program and the [Community Bank Risk-Focused Consumer Compliance Supervision Program document](#) for the complete program.

CA 13-20 Consumer Compliance and Community Reinvestment Act Examination Frequency Policy

The Federal Reserve issued the [Consumer Compliance and Community Reinvestment Act Examination Mandates](#), to transmit a revised policy for the mandated frequency of: (1) consumer compliance and CRA examinations of state member banks; and (2) assessments of non-state member bank entities regulated by the Federal Reserve to determine whether these entities are subject to consumer protection laws and regulations and must be examined. This policy applies to all institutions supervised by the Federal Reserve, including institutions with total consolidated assets of \$10 billion or less.

The Federal Reserve's examination frequency policy is being updated to ensure that examination resources are appropriately directed to institutions commensurate with the institution's asset size and the effectiveness of its consumer compliance risk management program in today's financial landscape.

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-supervision/publications/district-circular-letters/>.

For additional information, please contact:

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