

Examination and Visitation Frequency

The FDIC conducts examinations of institutions it supervises at intervals established by FDIC policy. Generally, newly chartered insured institutions or institutions that changed charters and are newly supervised by the FDIC receive a visitation within the first 12 months of operation/conversion and a full-scope examination within the first 24 months. To foster open dialogue and early communication during the initial stage of operations as a FDIC-supervised institution, the institution's supervisory region will arrange an introductory meeting with management prior to the initial visitation. After the first examination, the institution will follow the Standard Examination Frequency Schedule. The FDIC will conduct examinations at other institutions at intervals outlined in the Standard Examination Frequency Schedule that sets examination intervals by an institution's total asset size and the ratings assigned during the most recent Compliance examination and Community Reinvestment Act (CRA) evaluation.

When scheduling an examination, the objectives are to:

- Target examinations and supervisory efforts where risk of consumer harm is greatest;
- Allocate appropriate examination resources; and
- Conduct concurrent examinations, when requested by the bank, if practical.

Examination and Visitation Frequency

This Manual presents the Initial Examination Frequency Schedule below in Table 1, the Standard Examination Frequency Schedule for institutions with total assets of \$350 million or less in Table 2, and the Standard Examination Frequency Schedule for institutions with total assets of greater than \$350 million in Table 3. Examinations become subject to the greater than \$350 million threshold when an institution's reported total assets are in excess of \$350 million as of December 31 for the prior two calendar years. The examination interval is measured as the period between the date one examination report was transmitted to the institution and the start date of the subsequent examination at the same institution.

Regional and/or field management may schedule visitations at its discretion. Typically, Consumer Compliance and CRA

ratings will not change at a visitation, but if the visitation does result in a rating change, the Standard Examination Frequency Schedule noted below will still apply. Regional and/or field management may also schedule examinations earlier than the standard schedule when warranted dependent upon supervisory concern or other factors. For example, for institutions rated "Needs to Improve" or "Substantial Noncompliance" for CRA, field management, at its discretion, may schedule a targeted CRA examination or a concurrent Compliance and CRA examination based upon the risk factors involved.

Additionally, under certain circumstances, field management will need to be proactive in manually adding a supervisory activity to avoid potentially lengthy gaps in examinations. This could occur, for example, when a Compliance and CRA Examination for an institution with assets of \$350 million or less results in a "3" Consumer Compliance rating and a "Satisfactory" or "Outstanding" CRA rating and field management schedules a Compliance-only examination at the 12-month point. If the Compliance-only examination results in an upgrade to the rating, the institution would not, per the following table, be subject to another examination until the next Compliance and CRA activity. Consequently, field management should manually schedule another Compliance-only activity to occur between the 30-36-month timeframe.

Under the Gramm-Leach-Bliley Act, a financial institution with aggregate assets of \$250 million or less may be subject to more or less frequent CRA examinations because of a determination of "reasonable cause." Examples of "reasonable cause" may include, among other things, identification of significant fair lending violations during a Compliance-only examination that would affect overall CRA performance, receipt of credible complaints indicating deterioration in the bank's CRA performance, or requests from affiliated institutions to be examined concurrently.

Concurrent Examinations

The FDIC conducts concurrent Compliance/CRA, risk management, and specialty examinations to accommodate the preferences of the bank, unless doing so would be impractical or inefficient. Examinations of banks subject to Consumer Financial Protection Bureau (CFPB) supervision will be coordinated with the requirements of Section 1025(e) of the Dodd-Frank Act.

II. Consumer Compliance Examinations — Examination and Visitation Frequency

Examination Frequency				
Table 1 — Initial Examination Frequency Schedule for Newly Chartered and Insured Institutions and Charter Conversions				
Months In Operation	Compliance Examination/ CRA Evaluation	Compliance Only Examination	Visitation	
0 – 12			✓	
12 – 24	✓			
24 +	Use the appropriate Standard Examination Frequency Schedule			
Table 2 — Standard Examination Frequency Schedule, Institutions with Total Assets of \$350 Million or Less CRA/Compliance Examination Frequency (in months)				
CRA Rating	Outstanding	Satisfactory	Needs to Improve	Substantial Noncompliance
Compliance Rating 1	60 – 72 (Compliance/CRA) 30 – 36 (Compliance)	60 – 72 (Compliance/CRA) 30 – 36 (Compliance)	12 – 24 (CRA) 30-36 (Compliance/CRA)	12 (CRA) 30-36 (Compliance/CRA)
2	60 – 72 (Compliance/CRA) 30 – 36 (Compliance)	60 – 72 (Compliance/CRA) 30 – 36 (Compliance)	12 – 24 (CRA) 24-30 (Compliance/CRA)	12 (CRA) 24-30 (Compliance/CRA)
3	60 – 72 (Compliance/CRA) 12 – 24 (Compliance)	48 – 60 (Compliance/CRA) 12 – 24 (Compliance)	12-24 (Compliance/CRA)	12 (CRA) 12-24 (Compliance/CRA)
4	60 – 72 (Compliance/CRA) 12 (Compliance)	48 – 60 (Compliance/CRA) 12 (Compliance)	12 (Compliance/CRA)	12 (Compliance/CRA)
5	60 – 72 (Compliance/CRA) 12 (Compliance)	48 – 60 (Compliance/CRA) 12 (Compliance)	12 (Compliance/CRA)	12 (Compliance/CRA)
Table 3 — Standard Examination Frequency Schedule, Institutions with Total Assets of Greater Than \$350 Million CRA/Compliance Examination Frequency (in months)				
CRA Rating	Outstanding	Satisfactory	Needs to Improve	Substantial Noncompliance
Compliance Rating 1	24 – 36	24 – 36	12 – 24	12
2	24 – 36	24 – 36	12 – 24	12
3	12 – 24	12 – 24	12 – 24	12
4	12	12	12	12
5	12	12	12	12