



April 4, 2016

Number of Banks Eligible for Longer Exam Cycle Increases

FINANCIAL SERVICES, RISK ADVISORY/INTERNAL AUDIT
BY JESSICA MILLER

On February 19, 2016, Federal bank regulators unveiled an interim final rule increasing the number of small banks and savings associations eligible for a less-stringent 18-month examination cycle.

The intentions of this rule change are to reduce regulatory compliance costs for smaller institutions and still maintain safety and soundness protections. A statement by the Fed noted that the changes would allow an additional 617 banks to qualify for the less-frequent examination schedule, bringing the total number of banks under the 18-month cycle to “nearly 5,000.” Additionally, 26 U.S. branches and agencies of foreign banks would also qualify for the rule change.

Previously, banks with less than \$500 million in total assets could be eligible for the extended 18-month examination cycle; however, under the interim final rules, qualifying well-capitalized and well-managed banks and savings associations with less than \$1 billion in total assets may now be eligible. The changes may also apply to qualifying well-capitalized and well-managed U.S. branches and agencies of foreign banks with less than \$1 billion in total assets.

The agencies will accept comments on the change for 60 days.

Contact us with questions regarding the new regulatory compliance rule and visit our [Financial Services](#) page to learn about the services that we offer.

You’ve heard our thoughts... We’d like to hear yours

The Schneider Downs Our Thoughts On blog exists to create a dialogue on issues that are important to organizations and individuals. While we enjoy sharing our ideas and insights, we’re especially interested in what you may have to say. If you have a question or a comment about this article – or any article from the Our Thoughts On blog – we hope you’ll share it with us. After all, a dialogue is an exchange of ideas, and we’d like to hear from you. Email us at contactSD@schneiderdowns.com.

Material discussed is meant for informational purposes only, and it is not to be construed as investment, tax, or legal advice. Please note that individual situations can vary. Therefore, this information should be relied upon when coordinated with individual professional advice.

