ViewPoint Live!
April 28, 2015

Presented by:
Michael Johnson, Executive Vice President
Juan Sanchez, Vice President

The views expressed here are my own and do not necessarily reflect the views of the Federal Reserve Bank of Atlanta or the Federal Reserve System.
Current Banking Conditions

Loan Growth Improves Significantly

Noncurrent Loans Slow Their Decline

U.S. Bank ROAA

U.S. Bank Net Interest Margin

Source: Bank Call Reports
## Bank Holding Company Capital Stress Testing

<table>
<thead>
<tr>
<th>Submissions</th>
<th>Capital Actions</th>
<th>Analysis</th>
<th>Decision</th>
<th>Results</th>
</tr>
</thead>
</table>
| **CCAR**  
$50 billion+ in total consolidated assets | Firms submit proposed capital plans, including capital actions, and the results of five stress tests for the CCAR portion of the program:  
• Three tests using the supervisory scenarios (supervisory baseline, adverse, and severely adverse) and  
• Two tests using internally generated baseline and stress scenarios, designed to capture each firm’s idiosyncratic risks. | Firms’ propose capital actions, which are held constant for each test. | Supervisory Stress Testing is conducted & a qualitative review of the Capital Plan is performed by the Fed | Fed either accepts or objects to proposed capital plan | Published by the Fed in March |
| **DFAST**  
$50 billion+ in total consolidated assets | Firms submit the results of tests using the three supervisory scenarios (supervisory baseline, adverse, and severely adverse) | Capital action assumptions are specified by Dodd-Frank | Supervisory Stress Tests performed and results are factored into CCAR analysis | None | Published by the Fed in March |
| **DFAST**  
$10-50 billion in total consolidated assets | Firms submit the results of tests using the three supervisory scenarios (supervisory baseline, adverse, and severely adverse) | Capital action assumptions are specified by Dodd-Frank | The Board analyzes the quality of the company’s stress tests processes and related results. Feedback is provided through the supervisory process. | None | Summary of results disclosed by Firms between June 15 and June 30, 2015 |
Consumer Compliance

Current Hot Topics

1. Flood Insurance
2. Unfair and Deceptive Acts or Practices (UDAP)
3. Redlining
4. Fair Lending
5. Community Reinvestment Act (CRA)
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## Consumer Compliance

- **Frequency of State Member Banks**

<table>
<thead>
<tr>
<th>Compliance Rating</th>
<th>CRA Rating</th>
<th>Next Compliance Examination</th>
<th>Next CRA Examination</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 or 2</td>
<td>Outstanding</td>
<td>60 months</td>
<td>No earlier than 60 months</td>
</tr>
<tr>
<td>1 or 2</td>
<td>Satisfactory</td>
<td>48 months</td>
<td>No earlier than 48 months</td>
</tr>
<tr>
<td>1 or 2</td>
<td>Needs to Improve or Substantial Noncompliance</td>
<td>48 months</td>
<td>12 months</td>
</tr>
<tr>
<td>3, 4, or 5</td>
<td>Outstanding</td>
<td>12 months</td>
<td>No earlier than 60 months</td>
</tr>
<tr>
<td>3, 4, or 5</td>
<td>Satisfactory</td>
<td>12 months</td>
<td>No earlier than 48 months</td>
</tr>
<tr>
<td>3, 4, or 5</td>
<td>Needs to Improve or Substantial Noncompliance</td>
<td>12 months</td>
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</tr>
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### Frequency of State Member Banks (cont’d.)

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<th>CRA Rating</th>
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<th>Next CRA Examination</th>
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<tbody>
<tr>
<td>1 or 2</td>
<td>Outstanding or Satisfactory</td>
<td>36 months</td>
<td>36 months</td>
</tr>
<tr>
<td>1 or 2</td>
<td>Needs to Improve or Substantial Noncompliance</td>
<td>36 months</td>
<td>12 months</td>
</tr>
<tr>
<td>3, 4, or 5</td>
<td>Outstanding or Satisfactory</td>
<td>12 months</td>
<td>36 months</td>
</tr>
<tr>
<td>3, 4, or 5</td>
<td>Needs to Improve or Substantial Noncompliance</td>
<td>12 months</td>
<td>12 months</td>
</tr>
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**FREQUENCY FOR BANKS WITH ASSETS ≥ $350 MILLION and < $1 BILLION**
Consumer Compliance

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<th>Next CRA Examination</th>
</tr>
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<tbody>
<tr>
<td>1 or 2</td>
<td>Outstanding or Satisfactory</td>
<td>24 months</td>
<td>24 months</td>
</tr>
<tr>
<td>1 or 2</td>
<td>Needs to Improve or Substantial Noncompliance</td>
<td>24 months</td>
<td>12 months</td>
</tr>
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<td>12 months</td>
<td>24 months</td>
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Additional Fed Resources:

Community Banking Connections
https://communitybankingconnections.org/

ViewPoint

Stress Tests and Capital Planning

Basel Regulatory Framework
http://federalreserve.gov/bankinfereg/basel/default.htm

Supervision and Regulation/Consumer Affairs Letters
http://federalreserve.gov/bankinfereg/srletters/srletters.htm
http://federalreserve.gov/bankinfereg/caletters/caletters.htm

Economic, Banking and Financial Data
http://federalreserve.gov/econresdata/default.htm
https://research.stlouisfed.org/fred2/