§ 4.6 Frequency of examination of national banks and Federal savings associations.

(a) General. The OCC examines national banks and Federal savings associations pursuant to authority conferred by 12 U.S.C. 481 (with respect to national banks) and 1463(a)(1) and 1464 (with respect to Federal savings associations) and the requirements of 12 U.S.C. 1820(d) (with respect to national banks and Federal savings associations). The OCC is required to conduct a full-scope, on-site examination of every national bank and Federal savings associations at least once during each 12-month period.

(b) 18-month rule for certain small institutions. The OCC may conduct a full-scope, on-site examination of a national bank or a Federal savings association at least once during each 18-month period, rather than each 12-month period as provided in paragraph (a) of this section, if the following conditions are satisfied:

1. The bank or Federal savings association has total assets of less than $500 million;
2. The bank or Federal savings association is well capitalized as defined in part 6 of this chapter;
3. At the most recent examination:
   i. The bank or Federal savings association was assigned a rating of 1 or 2 for management as part of the bank’s or association’s rating under the Uniform Financial Institutions Rating System; and
   ii. The bank or Federal savings association was assigned a composite rating of 1 or 2 under the Uniform Financial Institutions Rating System;
4. The bank or Federal savings association currently is not subject to a formal enforcement proceeding or order by the FDIC, OCC, OTS or the Federal Reserve System; and
5. No person acquired control of the bank or Federal savings association during the preceding 12-month period in which a full-scope, on-site examination would have been required but for this section.