

**Washington Bankers Association  
Executive Development Program  
Audit and Compliance**

**Regulatory Oversight**

Presenter:

David McCrea

Manager – U.S. Compliance Program

Finacle/EdgeVerve

# Regulators

- CFPB
- Federal Reserve
- FDIC
- OCC
- State Agencies

# Other Agencies

- Treasury
- State Attorney Generals

# Oversight Roles

- Who is covered by each regulator?
- What do they “regulate”?
- Where is regulation/review performed?
- When do they visit?
- Why do they regulate?

# History of Banking

- Early American (Colony) Banking
  - Land Banks
  - Private Lending
  - Short-Term Lending
- Bank of the United States 1791 - 1811
  - Fiscal agent for the Treasury
  - Central Bank
  - Issued currency
  - Charter not renewed by Congress

# History of Banking

- Second Bank of the United States – 1816 – 1836
  - Same purpose – larger role
  - State bank opposition
  - Charter not renewed
- Treasury managed banking functions
- 1836 – 1863 – State banking regulation consisted primarily of review of statements of condition
  - Issued their own currency
  - Backed by gold and silver

# History of Banking

- 1864
  - National Currency and National Bank Acts
  - Established OCC
- 1913
  - Federal Reserve Act
  - Created Federal Reserve
  - Membership required for National Banks
  - Optional for State Banks
  - OCC and Fed supervision until 1917

# Great Depression

- Bank failures
  - Reasons?
- Banking Act of 1933 and 1935
  - Created FDIC
  - Insurance of up to \$2,500
  - Insurance required for Fed members since 1934
  - Interest rates on deposits limited by FDIC and Fed
  - Reserve Requirements
  - Insured banks supervised by FDIC

# More History

- Bank Holding Companies
  - Bank Holding Company Act – 1956
- Consumer Protection
  - Started in the 60's and 70's
- S&L Crisis – 80's
  - Competitive Equality Banking Act (CEBA)
  - Financial Institutions Reform, Recovery and Enforcement Act (FIRREA)
  - FSLIC

# “Current”

- Gramm-Leach-Bliley Act (GLBA)
  - Allowed affiliation of banks, securities firms, and insurance companies
- Dodd-Frank Act
  - Still in process
  - Created CFPB
  - Proposal to repeal portions of the Act for well capitalized banks

Questions?