§ 3305. Functions of Council

(a) Establishment of principles and standards
The Council shall establish uniform principles and standards and report forms for the examination of financial institutions which shall be applied by the Federal financial institutions regulatory agencies.

(b) Making recommendations regarding supervisory matters and adequacy of supervisory tools
(1) The Council shall make recommendations for uniformity in other supervisory matters, such as, but not limited to, classifying loans subject to country risk, identifying financial institutions in need of special supervisory attention, and evaluating the soundness of large loans that are shared by two or more financial institutions. In addition, the Council shall make recommendations regarding the adequacy of supervisory tools for determining the impact of holding company operations on the financial institutions within the holding company and shall consider the ability of supervisory agencies to discover possible fraud or questionable and illegal payments and practices which might occur in the operation of financial institutions or their holding companies.

(2) When a recommendation of the Council is found unacceptable by one or more of the applicable Federal financial institutions regulatory agencies, the agency or agencies shall submit to the Council, within a time period specified by the Council, a written statement of the reasons the recommendation is unacceptable.

(c) Development of uniform reporting system
The Council shall develop uniform reporting systems for federally supervised financial institutions, their holding companies, and nonfinancial institution subsidiaries of such institutions or holding companies. The authority to develop uniform reporting systems shall not restrict or amend the requirements of section 78l (i) of title 15.

(d) Conducting schools for examiners and assistant examiners
The Council shall conduct schools for examiners and assistant examiners employed by the Federal financial institutions regulatory agencies. Such schools shall be open to enrollment by employees of State financial institutions supervisory agencies and employees of the Federal Housing Finance Board under conditions specified by the Council.

(e) Affect on Federal regulatory agency research and development of new financial institutions supervisory agencies
Nothing in this chapter shall be construed to limit or discourage Federal regulatory agency research and development of new financial institutions supervisory methods and tools, nor to preclude the field testing of any innovation devised by any Federal regulatory agency.

(f) Annual report
Not later than April 1 of each year, the Council shall prepare an annual report covering its activities during the preceding year.

(g) Flood insurance
The Council shall consult with and assist the Federal entities for lending regulation, as such term is defined in section 4121 (a) of title 42, in developing and coordinating uniform standards and requirements for use by regulated lending institutions under the national flood insurance program.

Amendments

Report on Consistent Use of Financial Terminology
Section 210 of Pub. L. 103–325 provided that: “Not later than 2 years after the date of enactment of this Act [Sept. 23, 1994], the Financial Institutions Examination Council shall report to the Congress on its recommendations for the use of consistent financial terminology by depository institutions for small business loans or leases of personal property which are sold for the creation of small business related securities (as defined in section 3(a)(53)(A) of the Securities Exchange Act of 1934 [15 U.S.C. 78c (a)(53)(A)].”

Examination Improvement Program
“(1) In general.—The appropriate Federal banking agencies, acting through the Federal Financial Institutions Examination Council, shall each establish a comparable examination improvement program that meets the requirements of paragraph (2).
“(2) Requirements.—An examination improvement program meets the requirements of this paragraph if, under the program, the agency is required—
“(A) to periodically review the organization and training of the staff of the agency who are responsible for conducting examinations of insured depository institutions and to make such improvements as the agency determines to be appropriate to ensure frequent, objective, and thorough examinations of such institutions; and
“(B) to increase the number of examiners, supervisors, and other individuals employed by the agency in connection with conducting or supervising examinations of insured depository institutions to the extent necessary to ensure frequent, objective, and thorough examinations of such institutions.”

Study on Regulatory Burden
“(a) In General.—Not later than 1 year after the date of enactment of this Act [Dec. 19, 1991], the Federal Financial Institutions Examination Council, in consultation with individuals representing insured depository institutions, consumers, community groups, and other interested parties, shall—
“(1) review the policies and procedures, and recordkeeping and documentation requirements used to monitor and enforce compliance with—
“(A) all laws under the jurisdiction of the Federal banking agencies; and
“(B) all laws affecting insured depository institutions under the jurisdiction of the Secretary of the Treasury;
“(2) determine whether such policies, procedures, and requirements impose unnecessary burdens on insured depository institutions; and
“(3) identify any revisions of such policies, procedures, and requirements that could reduce unnecessary burdens on insured depository institutions without in any respect—
“(A) diminishing either compliance with or enforcement of consumer laws in any respect; or
“(B) endangering the safety and soundness of insured depository institutions.
“(b) Report.—Not later than 1 year after the date of enactment of this Act [Dec. 19, 1991], the Federal Financial Institutions Examination Council shall submit to the Congress a report describing the revisions identified under subsection (a)(3).
“(c) Definitions.—For purposes of this section, the terms ‘insured depository institution’ and ‘Federal banking agency’ have the same meanings as in section 3 of the Federal Deposit Insurance Act [12 U.S.C. 1813].”
Study and Report Assessing Feasibility and Usefulness of Depository Institutions Making Small Business Loans To Compile and Disclose Loan Information

Pub. L. 96–399, title III, § 340(d), Oct. 8, 1980, 94 Stat. 1659, directed Federal Financial Institutions Examination Council, in consultation with Administrator of Small Business Administration, to conduct a study to assess feasibility and usefulness of requiring depository institutions which make small business loans to compile and publicly disclose information regarding such loans, and directed Council to submit a report on results of such study, together with recommendations, to Senate Committee on Banking, Housing, and Urban Affairs and House Committee on Banking, Finance and Urban Affairs not later than Mar. 1, 1981.

Evaluation and Report on Feasibility and Desirability of Establishing a Unified System for Enforcing Fair Lending Laws and Regulations