



Charles G. Cooper
Commissioner

TEXAS DEPARTMENT OF BANKING

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Department of Banking Resumes Examination Process in June

On March 16, 2020, we announced that the Department would complete the in-process examinations offsite and suspend future examinations to allow banks to focus on their customers and communities.

By all accounts, Texas banks successfully modified in-person contact to protect customers and employees while continuing to serve their communities. You and your employees are to be commended for this achievement.

While still in process, Texas banks have originated a significant number of loans under the Paycheck Protection Plan (PPP) providing substantial economic benefit to their communities. This is another area where you and your employees have performed admirably under difficult circumstances. The Department has attempted to provide assistance to you as needed, and we continue to seek improvements to the PPP process.

Effective next week, we will resume the examination process. COVID-19 has changed the outlook for examinations as they will be conducted offsite for the near future. To accomplish this, we have reassessed our examination processes and procedures necessary to properly evaluate a bank's condition while being mindful of the burden an examination places on a bank's staff and resources. To that end, we have modified our examination approach and are focusing on the most relevant aspects as conditions dictate. We have also developed analytics to assist with examination planning and scoping as well as to quickly identify core issues to focus on. The success of this process will depend to a great extent on your ability to provide loan and other information electronically. We will work diligently with you to make the process as seamless as possible and in a secure manner. Communication is always an important aspect of an examination, and we are committed to ensuring communication is forthright and effective.

As indicated previously, the Department supports our financial institutions working with their customers in a safe and sound manner. There have been several Financial Institution Letters issued on this topic that will provide guidance to bankers and regulators alike as you evaluate your risks and take appropriate action.

As always, thank you for what to do for your communities.

Charles G. Cooper
Banking Commissioner