

Texas Department of Banking

Press Release

Commissioner James Announces Changes to Supervisory Memo 1003 – Examination Frequency for Commercial Banks

Date: August 27, 2003

Texas Banking Commissioner Randall S. James announces revisions to Supervisory Memo 1003 – Examination Frequency for Commercial Banks.

The policy that the Department follows to determine the examination frequency for commercial banks is being amended. An additional requirement is being added to provide that an institution be “well capitalized” according to federal statute [12 C.F.R. 325.103(b)(1)] to qualify for the extended 18 month examination cycle. Another change provides that the frequency may be reduced from 18 to 12 months if the institution has experienced a change of control in the preceding 12 month period.

These changes are being made to make the Department’s policy with regard to examination frequency consistent with existing examination frequency policies of the FDIC and Federal Reserve and make certain that our cooperative examination agreements signed with these supervisors are properly aligned.

Commissioner James said, “Differences in examination frequency between the Department and federal agencies sometime disrupt our alternating examination program. These changes, which affect a small number of institutions, will alleviate these concerns.”

You can view Supervisory Memo 1003 on the [Department’s website](#). Any questions or comments should be directed to Kurt Purdom, [Director of Strategic Support](#), or call (512) 475-1300.