Office of the Comptroller of the Currency
Federal Deposit Insurance Corporation
Board of Governors of the Federal Reserve System

September 16, 2016

TO THE CHIEF EXECUTIVE OFFICER:

The first Shared National Credit (SNC) examination of 2017, administered by the Office of the Comptroller of the Currency (OCC), the Federal Deposit Insurance Corporation (FDIC), and the Federal Reserve System (FRS), will begin January 30, 2017. To prepare for the examination, the federal bank regulatory agencies (Agencies) must obtain SNC information as of September 30, 2016. The definition of a SNC and other reporting requirements are detailed in the instructions found in the attachment, "Instructions for Preparing Shared National Credit Data." Reporting institutions must designate contacts for the SNC examination by completing the attached "2017 Contact Form".

The Agencies use a combination of statistical and judgmental sampling techniques to select SNCs to review. SNCs selected for the January 2017 examination will be reviewed at the agent bank or another designated review site. The credit quality rating assigned by the examination team will be reported to each supervised institution that participated in the credit as of the review date. The assigned ratings will be used by the Agencies during other examinations of supervised institutions to avoid duplicate reviews and ensure consistent treatment of these credits. Internal ratings or other data provided to the Agencies is confidential and will not be disclosed to other institutions.

If your institution is included in the January 2017 review, you or your firm's SNC contact(s) will be notified by the examiner-in-charge (EIC) for your institution. In most, but not all situations, the designated review site is the agent bank of the SNC loans. The EIC, prior to the examination start date, will arrange a mutually agreeable time to discuss the review process. Examiners will evaluate the banks' risk management processes including the quality of credit file documentation. Credit file documentation should be current and comprehensive to facilitate the timely completion of the examination. Please note that the Agencies may select SNCs that will be reviewed at an offsite location.

The Instructions for Preparing Shared National Credit Data should be carefully read to ensure compliance with SNC reporting requirements. The link for the instructions is attached. SNC reporting should receive the same attention you would give other examination information requests. Some reporting areas that require particular focus are highlighted in the "Additional Reporting Guidance" section of the attached instructions.

As a reminder, in 2015, the Agencies made two revisions to the eSNC data collection process. The first change replaced the five bucket regulatory risk rating data to the below seven bucket concordance mapping. The primary change is that the Pass bucket will be separated into three ratings in a manner similar to what each bank has provided in their Concordance Risk Rating Scale as shown below:

Investment Grade
Non-Investment Grade
Lowest Rated Pass
Special Mention
Substandard
Doubtful
Loss

Revised breakdown of Pass category

With your submission, please populate and return the attached Excel version of the Concordance Risk Rating template.

The second revision added a 'Rated Flag' to the data collection. This new field indicates if the institution internally rates the credit. See pages 18-20 of the SNC Reporting Instructions dated September 2015, for reporting details.

The reporting requirements added in 2015 for the Leveraged Lending designation (Y/N) and a Troubled Debt Restructure (TDR) field (Y/N) will continue. All institutions should report all agented loans that meet its definition of a leveraged loan. In addition, Expanded Reporters need to provide the Leveraged Lending designation (Y/N) to credits in the participant file submission. All reporters should apply the (Y/N) flag to loans internally identified as TDR's.

Lastly, please pay close attention to reporting instructions regarding No Hold (NH), Held For Sale (HFS), Trading Account (TA), Not Rated (NR) and Successor Agent (SA) internal rating designations. These acronyms are commonly used by reporting banks for situations where internal ratings do not exist.

Institutions should submit the following items 1 and 2 to your regulatory agency on or before October 10, 2016. ***Item 3 should be submitted by FRS reporters by October 31, 2016.*** The address, for each Agency, is included on the enclosed SNC Program Contact Form and Mailing Addresses.

1. SNC Program Contact Form (enclosed). This form requests confirmation of information for your SNC contact designee(s).

2. The institution's internal credit risk rating scale with a brief description of the categories and their regulatory, S&P, and Moody's equivalent (a photocopy from the bank's files will suffice).

3. Attestation (enclosed for FRS reporters only). All reporters are required to sign an attestation confirming the accuracy of bank reported data.

If you have any questions or suggestions for improvement of the SNC data collection and review process, please contact the individual(s) that supervises your financial institution(s) listed in the attached enclosure.

Sincerely,

Molly Scherf, Deputy Comptroller
Large Bank Supervision
Office of the Comptroller of the Currency

Todd Vermilyea, Senior Associate Director
Division of Banking Supervision and Regulation
Board of Governors of the Federal Reserve System

Pete Hirsch, Associate Director,
Large Bank Supervision Branch
Federal Deposit Insurance Corporation

Enclosures:

1. Regulatory Contacts for SNC Program and Data Reporting Questions – Page 5
2. Key Dates for Financial Institutions – Page 6
3. Reporting Bank Contact Form and Regulatory Mailing Addresses – Page 7
4. Shared National Credit Program Attestation (FRS supervised institutions) – Page 10

Attachments

1. Shared National Credit Program Instructions for Preparing Shared National Credit Data (OCC, FRS, and FDIC supervised institutions)

2. eSNC User Guide (OCC will email to SNC contact)

Both can be accessed using the following link:
https://www.newyorkfed.org/banking/reportingforms/shared_national_credits.html

Regulatory Contacts for SNC Program and Data Reporting Questions

If you have questions about reporting a particular credit, please contact the following:

Regulatory Agency	Contact	Phone No	Type of Bank
OCC	Christal Coppedge	202-649-6797	OCC chartered national banks and thrifts, their subsidiaries, and nationally licensed branches of foreign banks.
FDIC	Mark Sheely	573-875-6620 ext. 4227	State chartered banks that are not members of the FRS.
FRS	Kenneth Aberbach	212-720-8234	State chartered banks, state licensed branches and agencies of foreign banks, and other lenders where any Federal Reserve Bank is the primary regulator.

Questions pertaining to the SNC program or this request may be directed to:

OCC

Christal Coppedge	Christal.Coppedge@occ.treas.gov or snc@occ.treas.gov	202-649-6797

FRS

Jane Stone	Jane.Stone@ny.frb.org	212-720-2244
SNC Help Desk	SNCInbox@ny.frb.org	212-720-6549

FDIC

Mary Garner	MGarner@fdic.gov	202-898-6594
Mark Sheely	MSheely@fdic.gov	573-875-6620 (ext. 4227)
Adam Karlin	AKarlin@fdic.gov	781-686-5426
SNC email inbox	FDIC-SNC@fdic.gov	202-898-6594

KEY DATES FOR FINANCIAL INSTITUTIONS

October 10, 2016	Bank contact name due to regulator Internal credit risk rating scale due to regulator Concordance table due to regulator
October 31, 2016	Updated SNC data due to regulator Attestation due to regulator (FRS)
January 30, 2017	Target date for start of the 1Q2017 SNC Examination
March 14, 2017	Target date for SNC review results to be distributed to participating supervised institutions

REPORTING BANK CONTACT FORM AND REGULATORY MAILING ADDRESSES

2017 Contact Form*

TO: Mail or Email to the OCC, or FDIC/FRS contact information on p. 8

Please Print or Type all Information

Institution Name:

_____

_____

Name of primary and secondary contact to receive Shared National Credit results:

Primary Contact

Name:

_____

Title:

_____

Email Address:

_____

Phone Number:

_____

Secondary Contact

Name:

_____

Title:

_____

Email Address:

_____

Phone Number:

_____

During the 2017 review, you may contact the person(s) indicated below to coordinate the Shared National Credit Review, handle correspondence to and from your primary regulator, and to answer questions regarding credits agented and/or reviewed at this organization.

SNC Contact:

Name/Title:_____

Department:_____

Phone #:_____

E-Mail: _____

Fax:_____

Mailing Address (Please do not use a P.O. Box):

_____

SNC Contact (Alternate):

Name/Title:_____

Phone #:_____

E-Mail :_____

Fax:_____

Mailing Address (Please do not use a P.O. Box):

_____

_____

If the SNC Contact does not have access to the eSNC application, or is not considered the primary contact, please indicate one (1) user which is considered the primary contact. This person should have Level 2 access (for more information, please review the eSNC Access Control Form).

During the data collection process, you may contact the person below with regard to the input, deletion, and submission of SNC data using the eSNC application.

Primary eSNC (Electronic Shared Credit System) Contact:

Name/Title:_____

Phone#:_____

E-Mail:_____

We acknowledge receipt of the request for information on Shared National Credits.

SNC CONTACT SIGNATURE

_____

☐ Organization has to report SNCs on March 31, 2017.
☐ No agented deals to report at this time

* For control purposes, please return this form even if your institution does not have any SNCs to report.

SNC Contact Form Mailing Addresses:

All OCC Institutions:

Christal J. Coppedge
Office of the Comptroller of the Currency, Mailstop 8W-1
400 7th Street Southwest
Washington, D.C. 20219
Or Email To: Christal.Coppedge@occ.treas.gov

All FRS and FDIC Institutions:

Shared National Credit (SNC) Business Office
Federal Reserve Bank of New York
Statistics Function
33 Liberty Street, 4th Floor
New York, New York 10045-0001
Or Email To: SNCInbox@ny.frb.org

Shared National Credit Program
Attestation
(For FRS Supervised Institutions)

Date: _____

Mail To: Shared National Credit (SNC) Business Office
Federal Reserve Bank of New York
Statistics Function
33 Liberty Street, 4th Floor
New York, New York 10045-0001

Or Email To: SNCInbox@ny.frb.org

This is to confirm that the Shared National Credit (SNC) data submitted to the Federal Reserve System as of September 30, 2016 has been reviewed for accuracy and integrity, including the Participant Lender data. We also confirm that proper internal controls have been implemented to mitigate the risk of error with respect to the SNC data, including an annual internal review function prior to data submission to ensure that the SNC data are current.

_____

Authorized Official Name/Title:

_____

Authorized Official Signature

_____

Bank Name

_____

Location