

REQUEST FOR RECORDS DISPOSITION AUTHORITY		N1-82-00-2	
To: NATIONAL ARCHIVES and RECORDS ADMINISTRATION (NIR) WASHINGTON, DC 20408		DATE RECEIVED 8/7/2000	
1. FROM (Agency or establishment) Board of Governors of the Federal Reserve System		NOTIFICATION TO AGENCY In accordance with the provisions of 44 U.S.C. 3303a, the disposition request, including amendments, is approved except for items that may be marked "disposition not approved" or "withdrawn" in column 10.	
2. MAJOR SUBDIVISION Supervision and Regulation Functions			
3. MINOR SUBDIVISION			
4. NAME OF PERSON WITH WHOM TO CONFER Jeanne Young	5. TELEPHONE 202-452-2033	DATE 7-5-01	ARCHIVIST OF THE UNITED STATES <i>John W. Carl</i>
6. AGENCY CERTIFICATION I hereby certify that I am authorized to act for this agency in matters pertaining to the disposition of its records and that the records proposed for disposal on the attached 14_ page(s) are not now needed for the business of this agency or will not be needed after the retention periods specified; and that written concurrence from the General Accounting Office, under the provisions of Title 8 of the GAO manual for Guidance of Federal Agencies, X is not required; <input type="checkbox"/> is attached; or <input type="checkbox"/> has been requested.			
DATE August 3, 2000	SIGNATURE OF AGENCY REPRESENTATIVE <i>Jennifer Johnson</i>	TITLE Secretary of the Board	
7. Item No.	8. DESCRIPTION OF ITEM AND PROPOSED DISPOSITION	9. GRS OR SUPERSEDED JOB CITATION	10. ACTION TAKEN (NARA USE ONLY)
Undelete. RWR 6/27/01	This schedule applies to all formats and media in which records are created and maintained at the Board, including paper, microform, and electronic. Records scheduled for permanent retention in the National Archives will be transferred in an medium acceptable to the National Archives at the time of transfer. USING electronic medium if feasible. IF transfer in an electronic medium is not feasible, paper or microform copies will be transferred.		Revised language approved by the agency. JWC 3/28/01

SUPERVISION AND REGULATION

The Federal Reserve System has supervisory and regulatory authority over a number of financial institutions and activities. The terms *supervision* and *regulation* refer to complementary activities. Supervision involves monitoring, inspecting, and examining financial organizations to assess their condition and their compliance with relevant laws and regulations. When an institution is not in compliance or has other issues, the Federal Reserve may use its supervisory authority to take formal or informal action to have the institution address the issues. Financial regulation entails making and issuing specific regulations and guidelines governing the structure and conduct of financial activities, under the authority of legislation.

Broad functional areas include: **Applications, Supervision, Surveillance, Enforcement, Policy, and Training.**

APPLICATIONS

Financial institutions submit applications, notifications, or requests for waivers or other considerations, for acquisitions they want to make or activities they want to pursue as required by law or regulation. Examples include becoming a state member bank, becoming a bank holding company or a financial holding company, merging with or acquiring another institution, engaging in nonbanking activities, opening a foreign branch, and operating a branch of a foreign bank in the United States. Applications are submitted through a Federal Reserve Bank. Approximately 90% of all applications are routine and are processed by the Reserve Banks under delegation of authority from the Board. More complex or precedent-setting applications are processed by Board staff and submitted for final action by the Board. Staff members from several Board program areas, including supervision, research, legal, and consumer and community affairs analyze applications and each staff group contributes to the recommendation sent to the Board. Generally, applications must be processed within specified periods of time.

1. Applications Processed at the Board

The contents of a case file may include but are not limited to: an application form or letter, and a package of information, containing public and confidential information about the institution submitting the application; correspondence to and from Reserve Banks, applicants, attorneys, and Board staff; comment letters; additional (requested) or supplemental (not requested) information; transcripts of public hearings; memoranda to the Board; draft and final action memoranda; press release; *Federal Register* notice; and registration and consummation letters.

The most complete case files are maintained in the Records Section where the applications are scanned and maintained as digital images. Prior to 1997, applications were microfilmed. Other staffs that contribute to the analysis of the application, including supervision, legal, research, and consumer and community affairs, may maintain application case files. In cases where litigation ensues, the legal staff maintains a complete and separate application file that becomes part of the litigation case file, scheduled elsewhere.

DISPOSITION: Temporary

- a. **Electronic Images:** Retain 15 years after action on application, then destroy when no longer needed for reference.
- b. **Paper Files:**
 - (1) **Records Section set:** Destroy upon verification of the electronic image.
 - (2) **All other copies:** Destroy when no longer needed for reference.

2. Applications Processed under delegated authority at the Reserve Banks

Records forwarded to the Board include but are not limited to: application/notice form or letter; correspondence between the Reserve Bank, the applicants, and attorneys; final action; registration and consummation letters; and a local press announcement requesting comment. These files are scanned to produce electronic images.

DISPOSITION: Temporary

- a. **Electronic Images:** Retain 15 years after approval of application, then destroy when no longer needed for reference.
- b. **Paper Files:**
 - (1) **Records Section set:** Destroy upon verification of the electronic image.
 - (2) **All other copies:** Destroy when no longer needed for reference.

3. Applications Cases Withdrawn with no pending FOIA requests

DISPOSITION: Temporary

- a. **Electronic Images:** Remove from image database. Annotate profile database to show that images were removed.
- b. **Paper Files:** Return to applicant, if requested. Destroy if not returned.

4. Application tracking system.

The application process is tracked by supervision staff at the Board and the 12 Reserve Banks. The database includes profile information on each application.

DISPOSITION: Temporary.

Update as necessary. Delete with related records or when no longer needed for administrative or reference purposes.

5. Name Check Files.

Name check files may be generated during the application, enforcement, investigation, or litigation processes. Inquiries are made under the name of the banking institution that is the subject of the activity (application, enforcement, etc.) to agencies such as the FBI, CIA, and Department of the Treasury. The responses contain information known about the officers and staff of the banking institution. The agencies provide a negative response if no pertinent information is on file. Many of the responses are classified for national security purposes. The inquiries and responses are filed chronologically, thereunder alphabetically by the name of the institution.

DISPOSITION: Temporary.

Cut off annually. Retain 15 years, then destroy when no longer needed for administrative or reference purposes.

SUPERVISION

Similar records are used throughout the supervision process but may be filed differently. Files pertaining to large and foreign banking organizations are likely to have all types of records filed together under the name of the bank. Small and community bank records are likely to be filed by the type of action/transaction, not the name of the institution.

6. Planning Records

The records are administrative in function, relating to methods and activities the Federal Reserve System employs to supervise financial institutions. The records are created by the Reserve Banks and submitted to the Board for review. Documentation may include but is not limited to supervision plans, exam/inspection program cycle schedules, scope memoranda discussing the type of examination/inspection to be carried out at a particular institution, and computer printouts. The record may be submitted in paper or electronic form.

DISPOSITION: Temporary.

Retain 2 years, then destroy when no longer needed for administrative purposes.

7. Supervisory Activity Records

The records include but are not limited to: **general correspondence and electronic mail messages** from Reserve Banks, other institutions and agencies, and the public, and **internal memoranda** relating to examinations, inspections, consumer complaint investigations, reserve requirements, and other supervisory activities.

DISPOSITION: Temporary.

a. Office of Primary Responsibility: Cut off files annually. Retain 5 years, then destroy when no longer needed for administrative purposes.

b. All other copies: Destroy when no longer needed for administrative purposes.

8. Examiner/Inspector Work Papers are maintained at the Reserve Banks in hard copy and electronic form. Documents include entry letters advising the institutions of the date and time of the examination, scope memoranda, examiner notes and analyses, work program and exam procedures performed, internal documents furnished by the institution, draft reports.

DISPOSITION: Temporary.

Cut off files annually. Retain 3 years, then destroy when no longer needed for administrative or reference purposes.

9. Examination and Inspection Reports are produced by the Reserve Banks as required by law and regulation upon completion of examinations of State Member Banks, Foreign Banking Organizations, and Edge Corporations, and inspections of Bank Holding Companies. Reports include evaluations of an institution's compliance with consumer regulations, including the Community Reinvestment Act, where applicable.

DISPOSITION: Temporary.

a. One record copy: Cut off files annually. Retain 30 years, then destroy when no longer needed for administrative or reference purposes.

b. All other copies: Destroy when no longer needed for administrative or reference purposes.

10. Regulatory reports include but are not limited to annual reports from bank holding companies and foreign banking organizations, semiannual reports of bank holding company intercompany transactions and balances, and quarterly reports from bank holding company subsidiaries engaged in securities underwriting and dealing. The reports may be filed in paper or electronically. [Reports on current conditions are scheduled separately.]

DISPOSITION: Temporary.

a. One record copy: Cut off files annually. Retain 5 years, then destroy when no longer needed for administrative purposes. Reports received in paper whose data are entered into an electronic system at the Board may be destroyed upon verification of the database.

b. All other copies: Destroy when no longer needed for administrative or reference purposes.

11. Rating Records and Condition Assessment Records

These records include various reports, spreadsheet programs, and databases from which the ratings of financial institutions are derived. Examples include supervisory assessments, institutional overviews, risk matrix and assessments, memoranda for management providing analysis and review of the condition of banks, summaries of supervisory findings, recommendations, and conclusions, responses from institutional management, and notices of remedial action.

DISPOSITION: Temporary.

a. One record copy: Cut off files annually. Retain 5 years, then destroy when no longer needed for administrative or reference purposes.

b. All other copies: Destroy when no longer needed for administrative or reference purposes.

SURVEILLANCE

The surveillance function monitors the condition and performance of individual institutions and the industry as a whole. Surveillance is carried out by filtering call report (consolidated reports of condition and income) and FR Y-9 Series (consolidated financial statements for bank holding companies) data through a number of automated screening systems. The results are analyzed through a computer model and reports are produced. The information also assists in targeting institutions for examination and in allocating staff resources for examinations.

12. Uniform Bank and Bank Holding Company Performance Report System Databases

The quarterly Uniform Bank and Bank Holding Company Performance Reports include detailed current and historical financial and peer group information for individual banking organizations. They are produced using mainframe computer programs. The databases of financial measures that underlie these reports provide inputs to the System's surveillance programs.

DISPOSITION: Temporary.

Maintain data in active file for 10 years, then transfer to inactive file and destroy when no longer needed for timeline analyses.

13. Surveillance Reports

Reports are issued on various topics at regular but differing intervals, depending on the topic. For example, reports on bank conditions are issued quarterly, whereas reports on subjects such as global stock price monitoring are issued weekly. The reports may be issued in paper or electronic formats and consist of summary narratives, tables, graphs, and charts.

DISPOSITION: Temporary.

a. One record set: Cut off files at the end of the year. Retain 5 years, then destroy when no longer needed for reference or administrative purposes.

b. All other copies: Destroy when no longer needed for administrative or reference purposes.

14. Studies

Discussion groups comprising staff from the Board and Reserve Banks examine issues relating to banking, bank policy and bank conditions. The products of these groups, prepared for senior management, are summary memoranda that include narrative, charts, and graphs. This item covers paper and electronic files.

DISPOSITION: Temporary.

a. One record copy: Cut off files annually. Retain 15 years, then destroy when no longer needed for timeline analyses.

b. All other copies: Destroy when no longer needed for administrative or reference purposes.

ENFORCEMENT

Enforcement activity results in formal Board actions including: written agreements, cease and desist orders, civil money penalties, prohibitions, orders of investigation, prompt corrective action, and suspension. Cases usually begin at the Federal Reserve Banks, which send the Board documentation showing evidence of alleged misconduct.

Case Files, including but not limited to Enforcement, Special Investigation, Fair Lending Discrimination, and Consumer Complaint cases. The case files vary in content. **Enforcement** case files typically include a recommendation memo from the Federal Reserve Bank to Board supervisory staff, with supporting documentation; attorney notes; recommendation memos from Board supervisory staff to the Legal Division; press release; final approval; final order; agreement; termination, if it exists. **Special Investigation** case files typically include correspondence with outside attorneys; status reports; news clippings; internal memos; correspondence with other federal agencies such as the Department of Justice and the FBI; work papers with documents from the financial institution, copies of Board actions, and institution examination or inspection reports. **Fair Lending Discrimination cases** usually contain a communication from the Reserve Bank to the Board that initiates the case and a document stating the disposition of the case. Depending on circumstances, the case files may contain correspondence between the Reserve Bank and the financial institution, documentation from the bank's loan files, and other communications between the Board and the Reserve Bank. If the case is referred to the Department of Justice or HUD, the case file will contain a copy of the referral letter and memo, any other subsequent correspondence

related to the referral. Finally, in these situations the case file will always contain either a notification letter from the other agency that it will not pursue the case or an Order or other evidence of how the other agency resolved the case. **Consumer Complaint** case files typically include incoming and outgoing correspondence, documentation related to complaint investigations, and any internal memoranda. Documents may be in paper, microform, or electronic media.

15. Enforcement case files.

DISPOSITION: Temporary.

a. One record copy: Cut off files when the final action is taken. Retain complete case file 6 years after cutoff [per 12 USC 1818(u)(6)], then destroy when no longer needed for legal, financial, administrative, or reference purposes.

b. All other copies: Destroy when no longer needed for administrative or reference purposes.

16. All other case files, including Special Investigation, Fair Lending Discrimination, and Consumer Complaint cases.

DISPOSITION: Temporary.

a. One record copy: Cut off files when final action is taken. Retain 5 years, then destroy when no longer needed for legal, financial, administrative or reference purposes.

b. All other copies: Destroy when no longer needed for administrative or reference purposes.

17. Tracking Systems: Enforcement, Special Investigative, Fair Lending Discrimination, and Consumer Complaint Cases

This system tracks **enforcement** case files from 1975 to the present. Data are provided by the Reserve Bank requesting the enforcement order. Data fields include case number, financial entity identification number, name of institution, proposed action, name of Enforcement Section attorney and date assigned, and updates of actions. Output includes ad hoc docket lists and name checks requested by other banking regulatory agencies. Data fields for **fair lending** case files include the name of the bank, description of the problem, and the status of the case. Data fields for **consumer complaints** include name, address, telephone number, type of complaint or inquiry, company name, district, analyst, action taken, labor hours, and summary of the complaint.

DISPOSITION: Temporary.

Delete with related records or when no longer needed for administrative or reference purposes.

18. Legal Activity Records

Several types of legal activity can take place while carrying out enforcement activities. The resulting activity can be an **investigation** (separate from, but often parallel to the special investigations mentioned above), **litigation**, or an **administrative law hearing**. The investigative case files generally contain information provided by the Reserve Bank, subpoenas, depositions, correspondence, and memos. **Litigation case files** generally contain briefs, motions, court opinions, exhibits, and transcripts. **Administrative law hearing case files** may contain subpoenas, depositions, notice of charges, memo to the Board, and discovery material including transcripts, correspondence with opposing attorneys, and related documents. **Attorney working files** include background and case-related documentation not appropriate for inclusion in the final case file, and not required to be kept under 12 USC 1818(u)(6).

DISPOSITION: Temporary.**a. Case Files**

(1). Office of Primary Responsibility: Cut off files when final action is taken. Retain 15 years, then destroy when no longer needed for administrative or reference purposes.

(2). All other copies: Destroy when no longer needed for administrative or reference purposes.

b. Attorney working files.

Cut off files annually. Destroy when no longer needed for administrative or reference purposes.

POLICY

Policy for supervising and regulating financial institutions is established in the development of regulations that are approved by the Board. Policy is interpreted and communicated to the banking industry and the public in several ways through supervisory letters, supervisory guidance and manuals, and press releases. Policy development is augmented by the participation of Board staff members on a number of internal, FR System-wide, interagency, and international working groups and committees.

19. Regulations

The process of drafting or revising a regulation involves consultation and review by several divisions and may involve an interagency working group. The work papers include interim and final drafts, notes of discussions, informal interagency memos, comments from the public, interim comment summaries, and reference material. The final case file will include, but is not limited to, memoranda from divisions, Federal Register

Notice, including a summary of the comment letters, a press release, and the formal memo presented to the Board for action. The files also include correspondence with outside parties that addresses the subject of a regulation but is not filed within the final case file.

a. Final Case File with related correspondence

DISPOSITION:

(1). One record set: Permanent.

Cut off files at the end of the year in which the regulation was issued/reissued. Transfer final case files to NARA 30 years after cutoff.

(2). All other copies: Temporary.

Destroy when superseded, rescinded, or no longer needed for administrative or reference purposes.

b. Work Papers

DISPOSITION: Temporary.

Destroy when no longer needed for reference after all pertinent information has been placed in the final case file.

20. Supervisory Letters

These files include **Supervision and Regulation Letters** (commonly known as **SR Letters**), **Administrative (policy and procedures) Letters** (commonly known as **AD Letters**), **Consumer Affairs Letters** (commonly known as **CA Letters**), and **Complaint Program Letters** (commonly known as **CP Letters**). SR and CA (policy) Letters address significant policy and procedural matters related to the Federal Reserve System's supervisory responsibilities. The SR and CA (policy) letters are an important means of disseminating information to banking supervision staff at the Board and the Reserve Banks, and in some instances, to supervised banking organizations. AD and CA (admin) letters address matters of transitory relevance. They also serve as an important means of disseminating information to banking supervision staff at the Board and the Reserve Banks. Both types of letters are numbered sequentially by year and are further identified by a primary function such as supervision, applications, enforcement, or surveillance. The function designations change over time. CP Letters are issued to notify Reserve Banks of significant Complaint Program policy and administrative changes. Policy letters exist in paper and electronic form.

a. SR, CA, and CP Letters.

DISPOSITION:

(1). One record set: Permanent.

Cut off files annually. Transfer to NARA with related indexes 30 years after cutoff.

(2). All other copies: Temporary.

Destroy when superseded, rescinded, or no longer needed for administrative or reference purposes.

b. AD and CA (admin) Letters.**DISPOSITION: Temporary.**

Destroy when superseded, rescinded, or no longer needed for administrative or reference purposes.

21. Supervisory Manuals and Guidance.

Manuals and guidance provide instructions to carry out program and administrative procedures. The files include guidance and manuals for examining commercial banks and U.S. branches of foreign banking organizations and Edge corporations; supervising bank holding companies; assessing consumer compliance; and reporting on bank and bank holding company performance. Policy reflected in the manuals is available in an abbreviated form in the policy letters in item ²³₂₀ above. Manuals are available in paper and electronic form.

DISPOSITION: Temporary.**a. History File****(1). Program-related manuals and guidance.**

Cut off files when superseded or rescinded. Retain one record set at least 10 years after cutoff, then destroy when no longer needed for administrative or reference purposes.

(2). Administrative manuals.

Cut off files when superseded or rescinded. Retain one record copy at least 2 years after cutoff, then destroy when no longer needed for administrative or reference purposes.

b. All other copies

Destroy when superseded or rescinded.

22. Councils, Committees, and Working Groups

The Federal Reserve System uses advisory and working committees in carrying out its various responsibilities. Three of these **External Advisory Councils** advise the Board of Governors directly. The **Federal Advisory Council (FAC)**, established by the Federal Reserve Act, consists of one member from each Federal Reserve District. The council is required by law to meet four times each year with the Board of Governors in Washington, D.C., to discuss economic and banking matters; the **Consumer Advisory Council (CAC)**, established by statute, meets with the Board three times a year on matters concerning consumers and the consumer credit protection laws administered by the

Board. The council consists of academics, legal specialists in consumer matters, and members representing the interests of consumers and the financial industry; and the **Thrift Institutions Advisory Council (TIAC)**, established by the Board after passage of the Depository Institutions Deregulation and Monetary Control Act of 1980, to obtain information and opinions on the needs and problems of thrift institutions.

a. External Advisory Council Meeting Files.

The Advisory Committees include CAC, FAC, and TIAC. CAC records include agendas, attachments, transcripts, press releases, and resolutions of the Consumer Advisory Council; FAC records consist of memoranda to the Governors with questions attached, question and answer responses, and records of conference; TIAC records consist of question and answer responses (called agenda q&a's).

DISPOSITION:

(1). One record copy: Permanent.

Cut off files annually. Retain on site for 5 years, then retire to offsite storage. Transfer to NARA 30 years after cutoff.

(2). All other copies:

Destroy when no longer needed for administrative or reference purposes.

The Board has a number of **internal advisory committees** that review proposals developed by divisions or functional groups that will require Board action. The committees are run informally and are not considered decision-making bodies; these committees, such as the Committee on Federal Reserve Bank Affairs, the Committee on Supervisory and Regulatory Affairs, and the Committee on Employee Benefits, consider issues raised in the divisions. The committees change their names from time to time but their advisory capacity does not change. The records of the committees may include agendas, lists of presenters, and sometimes, the memoranda or reports that are presented to the committee. No formal minutes are prepared and no formal actions are taken, no decisions are recorded. Meeting summaries are included only if an absent committee member requests them.

b. Internal Advisory Committee Files

DISPOSITION: Temporary.

(1). One record copy: Cut off files annually. Retain 3 years, then destroy when no longer needed for administrative purposes.

(2). All other copies. Destroy annually or when no longer needed for administrative purposes.

Special Issue Policy Committees consider specific Board policy issues. The committees keep more extensive records, particularly if the policy or program is evolving over a period of time and will have a significant impact on the Federal Reserve System. A

committee in this category is the Payment System Policy Advisory Committee. Records may include but not limited to lists of committee members, agendas, meeting notes and summaries, correspondence, reports, conference call notes, and background information.

c. Special Issue Policy Committee Files

DISPOSITION:

(1). One record copy: Permanent.

Cut off files annually. Transfer to NARA 30 years after cutoff.

(2). All other copies: Temporary.

Destroy when no longer needed for administrative or reference purpose

TRAINING

The Board is responsible for the coordination of the Federal Reserve System's examiner education training programs. Training is provided to System examiners through the System, Federal Financial Institutions Examination Council (FFIEC), and other federal government agencies. Board training staff coordinates System programming and serves as the clearinghouse for FFIEC and other government programs.

The Board Training Center issues an **administrative procedures manual** on training that is updated annually. Other records consist of **course materials and tracking systems**. Administrative correspondence and subject file are covered by GRS 1, item 29.

23. Training course records include course lesson plans, syllabi, instructor manuals, participant manuals and workbooks, test questions and answers.

DISPOSITION: Temporary.

Update when superseded. Retain one copy of each superseded document for 4 years, then destroy thereafter when no longer needed for reference.

24. Administrative policies and procedures. Information and procedures relating to classes, instructors, and students.

DISPOSITION: Temporary.

a. One record copy: Cut off files when superseded or rescinded. Retain at least 2 years after cutoff, then destroy when no longer needed for administrative or reference purposes.

b. All other copies: Destroy when superseded or rescinded.

25. Tracking system. Electronic system to track and record information on students participating in training programs.

DISPOSITION: Temporary.

Remove record from active file when student leaves Federal Reserve System.

Delete 5 years after record becomes inactive.

26. Electronic copies of records that are created on electronic mail and word processing systems and used solely to generate a recordkeeping copy of the records covered by the other items in this schedule. These files may be maintained by individuals in personal files, personal electronic mail directories, or other personal directories on hard disk or network drives, and copies on shared network drives. This item also covers electronic copies of records created on electronic mail and word processing systems that are maintained to update, revise, or disseminate records.

DISPOSITION: Temporary.

Destroy or delete after the recordkeeping copy has been produced or after dissemination, revision or updating is completed.