

News of the Week: OCC's Semiannual Risk Perspective for Fall 2017

WASHINGTON — The Office of the Comptroller of the Currency (OCC) today reported credit, operational, and compliance risks are key concerns for the federal banking system in its [Semiannual Risk Perspective for Fall 2017](#).

Highlights from the report include:

- The credit environment continues to be influenced by aggressive competition, tighter spreads, and slowing loan growth. These factors are driving incremental easing in underwriting practices and increasing concentrations in select loan portfolios—leading to heightened risk if the economy weakens or markets tighten quickly.
- Operational risk continues to challenge banks because of increasing complexity of cybersecurity threats, use of third-party service providers, and increasing concentrations in third-party service providers for some critical operations.
- Compliance risk remains elevated as banks continue to manage money laundering risks, as well as consumer compliance risks, particularly due to the increasing complexity in consumer compliance regulations.

The report covers risks facing national banks and federal savings associations based on data as of June 30, 2017. The report presents data in four main areas: the operating environment, bank performance, trends in key risks, and supervisory actions. It focuses on issues that pose threats to those financial institutions regulated by the OCC and is intended as a resource to the industry, examiners, and the public.

Related Link

- [OCC Semiannual Risk Perspective for Fall 2017 \(PDF\)](#)

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