Office of the Comptroller of the Currency
Mutual Savings Association Advisory Committee

Membership Balance Plan

(1) Name. The Office of the Comptroller of the Currency (OCC) Mutual Savings Association Advisory Committee (MSAAC).

(2) Authority. The MSAAC's charter has been prepared and filed in accordance with the provisions of the Federal Advisory Committee Act (FACA), 5 U.S.C. App. 2.

(3) Mission/Function. The MSAAC's purpose is to provide advice and recommendations to the Department of Treasury, OCC, on meeting the goals of the Home Owners' Loan Act, 12 U.S.C. § 1461 *et seq.* The MSAAC advises the OCC with regard to mutual associations on a means to provide for the organization, incorporation, examination, operation and regulation of mutual associations. The work of the MSAAC includes a regular assessment of the current condition of the Federally-chartered mutual savings association segment of the insured depository institution industry. The MSAAC provides advice about what regulatory or other changes OCC may be able to make to ensure the continued health and viability of mutual savings associations. The MSAAC also advises the OCC on other issues of concern to existing mutual savings associations.

(4) Points of View.

(a) Subject Matter/Technical Expertise. The subject matter or technical expertise that is necessary to accomplish the tasks of the MSAAC includes an understanding of the organization and operations of mutual savings associations in particular, and insured depository institutions generally. Expertise and familiarity with the unique corporate governance and financial operations of mutual associations are critical for the MSAAC's members. Experience as a senior management official of a mutual institution is important in obtaining this subject matter and technical expertise.

(b) Areas of Expertise. The members of the MSAAC should represent mutual savings associations of varying sizes and types of operations. Members should represent different segments of the mutual association industry.

(c) Service as Representative Members. Representative members of advisory committees are specifically appointed to provide the committee with the points of view of nongovernmental entities or a recognizable group of persons who have interests in the subject matter under the committee's charge. In contrast, committee members who are designated as Special Government Employees (SGEs) are appointed to exercise their own individual best judgment on behalf of the Government.

It was determined when the MSAAC was established that a committee composed of representative members would best serve OCC's purposes in that it would supplement OCC's concerns as a regulator with the views and experiences of individuals actually working within the mutual savings association industry. This is because such representative individuals have an understanding of the organization of mutual savings associations, as well as expertise and familiarity with the unique corporate governance and financial operations of mutual associations.

The factors to be considered in making an employment status determination for advisory committee members include the express language of the advisory committee's enabling documents; whether the prospective committee member will receive compensation other than travel expenses for his or her services on the committee; whether the prospective committee member was selected through an appointment process that used outside recommendations; whether the prospective committee member will act as a spokesperson for a recognizable nongovernmental group or stakeholder; and whether the prospective committee member will be supervised by a Federal government employee. After analyzing these factors, OCC's Ethics Counsel will determine that each person who will serve on the MSAAC is a Representative member rather than an SGE. Any new members will be reviewed using the same standard that was used for the previous members.

(5) Other Balance Factors. The other balance factors that OCC identified as important for the MSAAC's membership include geographic diversity, diversity in institution size, and the diversity in the specific type of charter among the alternatives available to mutual associations.

(6) Candidate Identification Process.

(a) Cross-section. OCC will solicit nominations for the MSAAC by placing a notice in the *Federal Register*, by contacting national and state banking groups, and by contacting other groups interested in the continued operations of mutual savings associations. In response to this solicitation, OCC expects to receive names from all sources. The slate of 10 names that will be submitted will represent regional diversity. OCC also will seek diversity in operating and business strategies and will seek to include senior management from institutions that represent a variety of strategies ranging from the more traditional community lender to institutions that provide more complex product offerings. The group's members also may represent diversity of charter type, within the options available to mutual institutions, including mutual holding companies, representing those that have issued minority stock and those that have not. Finally, OCC will seek to ensure that the composition of the committee in terms of association size will mirror the size diversity of the industry segment as a whole. Of the mutual savings associations that OCC supervises, over half hold less than $300 million in assets. Accordingly, to the extent possible, the OCC will seek to ensure that the majority of nominations will be senior officers from mutual institutions with under $300 million in

assets and the remaining members will be divided between medium-sized and larger institutions.

Finally, in reviewing the names to be submitted through the nomination process, OCC will look for individuals who have experience in operating mutual associations in different economic circumstances and who understand the needs of the communities being served.

(b) Agency staff involved. The review process for the membership of the MSAAC will be performed on behalf of the Comptroller by senior OCC officials including the Senior Deputy Comptroller for Midsize and Community Bank Supervision and the Deputy Comptroller for Thrift Supervision. In addition, staff from OCC's District Offices will be consulted to ensure that the agency selects the best candidates from among the available pool. Future selections of MSAAC members will be made by senior management officials in Washington and the District Offices.

(c) Vacancies. Vacancies will be filled as promptly as possible, using a process to match as closely as possible the balance and diversity characteristics of the departing member.

(d) Term limits. Each member will be appointed for a term of two years.

(7) Subcommittee Balance. OCC may form subcommittees for any purpose consistent with the charter. Such subcommittees must report directly to the MSAAC parent committee and do not make recommendations directly to the Federal Officials. Therefore, MSAAC subcommittees are not covered by FACA and are not subject to FACA's requirement that committees be "fairly balanced."

(8) Other. The OCC will take whatever other steps are necessary to ensure a balanced membership on the MSAAC.

(9) Date Prepared. This Membership Balance Plan was prepared on September 21, 2012.