

February 14, 2022

VIA ELECTRONIC SUBMISSION

Chief Counsel's Office
Attention: Comment Processing
Office of the Comptroller of the Currency
400 7th Street, Suite 3E-218
Washington, DC 20219
Docket ID OCC-2021-0023

Re: Principles for Climate-Related Financial Risk Management for Large Banks

Ladies and Gentlemen:

On behalf of its members, the Risk Management Association's Climate Risk Consortium ("RMA Consortium") thanks the Office of the Comptroller of the Currency ("OCC") for the opportunity to comment on its proposed principles for climate-related financial risk management for large banks ("Proposal").

Launched in September 2021, the RMA Consortium seeks to assist banks in integrating climate risk management throughout their operations, preparing the industry to help economies transition to a low-carbon future. The RMA Consortium, representing 25 leading U.S. and Canadian banking organizations, also aims to advance climate risk management practices in the banking industry by facilitating the development of industry-wide taxonomy and standards.

Before responding to the Proposal, however, the RMA Consortium wishes to express its appreciation for the OCC's efforts to assist banking organizations under its oversight in developing climate-related financial risk management practices. Our member institutions welcome the OCC's engagement with banking organizations as the agency develops its approach to climate-related financial risk, including by soliciting information on banks' evolving approaches to climate change-related risk management and efforts to improve the necessary methodologies, models and data.

As to the Proposal, the RMA Consortium broadly supports its principles-based approach, preference for scenario analysis over traditional regulatory stress testing, recognition of current data, modeling and methodological challenges for banks and general alignment with previous risk management guidance issued by the OCC. The RMA Consortium also

appreciates the OCC's intention to "tailor any resulting supervisory expectations to reflect differences in banks' circumstances such as complexity of operations and business models" and distinguish the roles and responsibilities of boards of directors from those of management.

Nonetheless, our members believe the final guidance should include the following important clarifications, which we summarize below and then explain in greater detail throughout the letter. In sum, we recommend the final guidance:

1. Define a compliance approach that accounts for the time banks will require to implement the climate-related financial risk management processes outlined in the guidance and incorporate climate-related financial risks into decision-making processes;
2. Support more explicitly banks' use of a risk-based approach in implementing the principles so that banks' climate-related financial risk management practices are proportionate to the extent of their exposures, consistent with how banks treat other risk exposures;
3. Acknowledge that, at present, banks may determine it appropriate to prioritize assessing potential climate-related financial risk impacts over the time horizons banks use in strategic planning and related assessment processes and that, once assessment capabilities mature, consistency in the time horizons used by banks may be beneficial by facilitating industry benchmarking;
4. Align with other U.S. bank regulators' approaches to climate scenario analysis so that banking organizations subject to supervision by multiple banking regulators are subject to consistent requirements;
5. Clarify that board of director responsibilities are consistent with previous OCC guidance regarding risk management;
6. Clarify the OCC's expectations with respect to (a) banks' consideration of climate-related financial risk impacts on low-to-moderate income ("LMI") and other disadvantaged households and communities and (b) public communications regarding banks' climate-related strategies; and
7. Harmonize with bank regulatory frameworks for climate-related financial risk management in foreign jurisdictions.

We believe these modifications are consistent with the OCC's objectives and the Proposal. The final guidance will be a significant milestone in the establishment of a U.S. bank regulatory framework for climate risk, making these clarifications all the more important. The requested changes will help the final guidance achieve the OCC's

objective to support the “efforts by banks to focus on key aspects of climate risk management.”

I. The final guidance should define a compliance approach that accounts for the time banks will require to implement the climate-related financial risk management processes outlined in the guidance and incorporate climate-related financial risks into decision-making processes.

A. Observations and Considerations

As a general matter, “developing and implementing processes to identify, measure, monitor, and control climate-related financial risk exposures within [a bank’s] existing risk management framework” will require a reasonable time period to complete in a safe and sound manner. Implementation of the guidance will require, among other things, modifications to or development of new systems, technology, models, processes, policies and governance structures. As best practices for climate risk management continue to evolve, banks and supervisors will need to collaborate to define those practices.

Moreover, challenges exist in developing effective climate-related financial risk management practices, such as those outlined in the Proposal, due to issues of data, models and methodologies. The Financial Stability Oversight Council (“FSOC”) Report on Climate-Related Financial Risk (“FSOC Report”) describes several of these challenges, including:

- Limitations on data, in particular, data “connecting the science of climate change to financial risk assessments and real-world economic impacts”;¹
- Uncertainty about the time horizons over which certain risks (*e.g.*, transition risks, longer-term risks) may manifest;² and
- The non-linear and complex nature of the impacts of climate change, which make it difficult to forecast the frequency and intensity of severe climate events and assess the interlinkages between climate-related pathways and economic and financial variables across the financial system.³

The FSOC Report also recognizes that better data and improved methods are essential prerequisites for the ability to measure and assess climate-related financial risk, stating: “enhancing the availability of and access to relevant, comprehensive data and developing

¹ Financial Stability Oversight Council, Report on Climate-Related Financial Risk, at 23 (Oct. 2021) [hereinafter, “FSOC Report”].

² *Id.*

³ *Id.*

methods and metrics to effectively utilize climate-related data and financial data” are “[n]ecessary steps for measuring and assessing climate-related financial risk.”⁴ Gaps in data, notes the FSOC report, render results of scenario analyses unreliable.⁵ Thus, banks will require a reasonable time period to enhance relevant data, models and methods so that processes to identify, measure, monitor, and control climate-related financial risk exposures are more reliable and, thus, of greater utility.

The OCC is aware of these issues, stating that the “OCC recognizes that incorporation of material climate-related financial risks into various planning processes is iterative as measurement methodologies, models, and data for analyzing these risks continue to evolve and mature over time.”⁶ However, the Proposal also describes expectations for the identification, measurement, monitoring, and control of climate-related financial risk exposures without accounting for insufficiencies in the current methodologies, models and data upon which such processes and practices rely.

B. Recommendations

The final guidance should account more explicitly and comprehensively for the time banks will require to implement the processes to identify, measure, monitor and control climate-related financial risks and incorporate those risks into decision-making processes. In particular, the final guidance should:

- Establish reasonable expectations for banks’ near-term climate-related financial risk management capabilities, including by supporting more explicitly banks’ use of reasonably available methods to begin identifying, measuring, monitoring and controlling climate-related financial risks while continuing to develop more robust capabilities. For example, the final guidance should clarify that qualitative risk appetite statements may be more appropriate than quantitative expressions of risk appetite until quantitative methods are sufficiently reliable;
- Clarify that the OCC does not expect banks’ conformance with the guidance by a particular date but, rather, that banks work in earnest toward developing and implementing their climate-related financial risk management practices and make iterative, demonstrable progress and that, at least in the near term, the OCC does

⁴ *Id.* at 47.

⁵ *Id.* at 49. (“While a large amount of potentially relevant data for climate-related physical risks currently exists, more work is needed to improve access to this data and incorporate it into financial risk assessments . . . This data is not standardized in a way that facilitates the aggregation of datasets across entities or industry sectors and may require extensive work before it is usable.”).

⁶ The Proposal also states that in conveying the results of climate-related scenario analysis, management should convey the “uncertainty of results.” Proposal, “Scenario Analysis” Principle.

not anticipate that gaps in a bank’s practices would result in an informal or formal enforcement action except in very unusual circumstances; and

- State the OCC’s intention to assess banks’ progress in addressing climate-related financial risks and publish anonymized results to enable industry benchmarking, foster innovation and facilitate the development of best practices.

II. The final guidance should support more explicitly banks’ use of a risk-based approach in implementing the principles so that banks’ climate-related financial risk management practices are proportionate to the extent of their exposures, consistent with how banks treat other risk exposures.

A. Observations and Considerations

Banks should employ a risk-based approach in managing climate-related financial risk and implement practices that are commensurate with the extent of their exposure, as well as their size, complexity, business activities and overall risk profile, consistent with OCC expectations for banks’ enterprise risk management and management of other significant categories of risk.⁷ As clients evaluate and pursue transitions to lower-carbon strategies, banks’ climate-related financial risk management strategy should enable them to support clients’ transitions while protecting the safety and soundness of the banks.

The RMA Consortium appreciates that the OCC plans to “appropriately tailor any resulting supervisory expectations to reflect differences in banks’ circumstances such as complexity of operations and business models,” consistent with the OCC’s approach to risk-based supervision. As a general matter, we anticipate that, ultimately, all banking organizations will be subject to supervisory expectations with respect to their climate-related financial risk management practices and embedding proportionality in those expectations will be important. As to the Proposal, aspects of it suggest banks employ a risk-based approach to address climate-related financial risk management. For example, the Proposal describes multiple practices and processes for prioritizing *material* climate-related financial risk rather than simply stating that banks must address all climate-related financial risks.

However, the Proposal does not encourage banks to scale their climate-related financial risk management responses based on the extent of their exposures, sizes, activities or

⁷ See, e.g., OCC Bulletin 2013-29, *Third-Party Relationships: Risk Management Guidance* (advising banks to adopt “risk management processes that are commensurate with the level of risk and complexity of its third-party relationships and the bank’s organizational structures”); 12 CFR 30, app. D.II.C.1–2 (advising front line units to “[a]ssess, on an ongoing basis, the material risks associated with its activities and use such risk assessments as the basis for fulfilling its responsibilities” and directing independent risk management to “[i]dentify and communicate to the board of directors or the board’s risk committee: (i) Material risks and significant instances where independent risk management’s assessment of risk differs from the Chief Executive Officer.”)

other factors. In contrast the OCC’s Heightened Standards promotes proportionality expressly, advising a bank to design a risk governance framework that is “commensurate with the size, complexity, and risk profile of the covered bank”⁸

*B. Recommendations*⁹

The final guidance expressly should adopt the concept of proportionality and further emphasize a risk-based approach to managing climate-related financial risks. Specifically, we recommend that the final guidance:

- State that banks should employ a risk-based approach that considers materiality in managing climate-related financial risk, consistent with how banks determine materiality and manage other risks; and
- Clarify that banks should design and implement climate-related financial risk management practices and processes that are commensurate with the extent of their exposures to climate-related financial risk, in addition to their size, complexity, business activities and overall risk profile.¹⁰

III. The final guidance should acknowledge that, at present, banks may determine it appropriate to prioritize assessing potential climate-related financial risk impacts over the time horizons banks use in strategic planning and related assessment processes and that, once assessment capabilities mature, consistency in the time horizons used by banks may be beneficial by facilitating industry benchmarking.

A. Observations and Considerations

The Proposal states that “[a]s part of forward-looking strategic planning, the board and management should address the potential impact of climate-related financial risk exposures on the bank’s financial condition, operations (including geographic locations),

⁸ 12 CFR 30, app. D.II.C.2, “Role and Responsibilities of Independent Risk Management.”

⁹ This section is, in part, responsive to Question 3 posed by the OCC: “What challenges do banks face in incorporating these principles into their risk management systems?”

¹⁰ We recognize that size and complexity of banking organizations can be correlated with their potential to pose systemic risk. That said, there may be instances in which larger banks are less vulnerable to losses resulting from climate disaster. Notably, a recent report released by Federal Reserve Bank of New York staff revealed that, in the case of extreme weather events over the last quarter century, “losses at larger (multi-county) banks [were] barely affected and their income increase[d] significantly with exposure,” whereas local banks, which do not benefit from diversification across multiple geographies, experienced more negative stability effects from extreme disasters. Kristian S. Blickle et. al., Federal Reserve Bank of New York, *How Bad Are Weather Disasters for Banks?*, at 3 (Nov. 2021).

and business objectives over various time horizons.”¹¹ The Proposal also notes that relevant time horizons for understanding “the potential ways in which these risks could evolve ... may include those that extend beyond the bank’s typical strategic planning horizon.”¹²

The RMA Consortium appreciates the importance of banks’ exploring potential climate-related financial risk impacts over various time horizons, including time horizons that extend beyond those typically used in financial risk assessments. As the Basel Committee on Banking Supervision (“BCBS”) explains in its report on measurement methodologies for climate-related financial risks, “[c]onventional capital planning horizons have tended towards two- to three-year forecasts ... , while strategic planning at banks has tended towards three- to five-year periods Conversely, many physical climate risks are expected to increase in materiality over a much longer horizon.”¹³

For example, the Heightened Standards requires large banks to develop three-year strategic plans, and the OCC’s Director’s Book advises banks to develop three to five year strategic plans.¹⁴ As the OCC explained in the preamble to the Federal Register release of the Heightened Standards, “a three-year plan is necessary for covered banks to predict changes that could affect the bank’s financial position.”¹⁵ The RMA Consortium would ask the OCC, as part of its ongoing work to develop a supervisory response to climate-related financial risks, to consider the expectation in the Proposal that, “[a]s part of forward-looking strategic planning,” a bank “should address the potential impact of climate-related financial risk exposures on the bank’s financial condition, operations ... and business objectives over various time horizons,” in light of the OCC’s appropriate outstanding guidance on strategic planning horizons and the fact that climate-related financial risks can manifest over much longer time horizons.

Similar to the OCC’s outstanding guidance, the Federal Reserve Board (“Federal Reserve”) requires nine-quarter projection periods for its Comprehensive Capital Analysis and Review (“CCAR”) program because it “believes that a firm should be able to make informed projections of its financial and capital position for a two-year calendar period.”¹⁶ The CCAR predecessor program, Supervisory Capital Assessment Program,

¹¹ Proposal, “Strategic Planning” principle.

¹² Proposal, “Governance” principle.

¹³ See Basel Committee on Banking Supervision, *Climate-Related Financial Risks – Measurement Methodologies* (Apr. 2021), at 20–21, <https://www.bis.org/bcbs/publ/d518.pdf>.

¹⁴ OCC, *Director’s Book: Role of Directors for National Banks and Federal Savings Associations* (Nov. 2020), at 14–15, <https://www.occ.gov/publications-and-resources/publications/banker-education/files/directors-book.html>.

¹⁵ See 12 CFR 30, app. D.II.D, “Strategic Plan.”

¹⁶ Annual Company-Run Stress Test Requirements for Banking Organizations With Total Consolidated Assets Over \$10 Billion Other Than Covered Companies, 77 Fed. Reg. 62396, 62401 (Oct. 12, 2012).

also used a two-year time horizon. The Federal Reserve explained that this choice of time horizon reflected a tradeoff between capturing the full extent of potential changes that might be incurred in the long-term and a reasonable ability to project with some degree of confidence many changes that are likely to occur within two years.¹⁷ As the BCBS further explains, “[a]s the measurement horizon becomes further removed from the present, the assumptions about the future operating environment will become increasingly dominant as a driver of measurement outputs, leading to greater modelling uncertainty.”¹⁸

Separately, the RMA Consortium believes, over time, there are benefits to banks assessing potential climate-related financial risk impacts over the same time horizons to facilitate industry-wide benchmarking, but that it would be inappropriate for the OCC to specify the time horizons banks should consider until measurement and forecasting capabilities mature.

*B. Recommendations:*¹⁹

We recommend the final guidance:

- Retain the flexibility implicit in the Proposal for banks to explore potential climate-related financial risk impacts over various time horizons selected by banks; and
- Indicate that the OCC anticipates there being benefits to its specifying time horizons banks should consider to facilitate industry-wide benchmarking and support supervisory efforts.

IV. The final guidance should align with other U.S. bank regulators’ approaches to climate scenario analysis so that banking organizations subject to supervision by multiple banking regulators are subject to consistent requirements.

A. Observations and Considerations

Multi-tiered banking organizations benefit from a consistent set of standards and guidelines from banking regulators. We appreciate that in the press release announcing the Proposal, Acting Comptroller of the Currency Michael J. Hsu stated the OCC plans to

¹⁷ Federal Reserve, The Supervisory Capital Assessment Program: Design and Implementation (Apr. 24, 2009), at 3, <https://www.federalreserve.gov/newsevents/pressreleases/files/bcreg20090424a1.pdf>.

¹⁸ See Basel Committee on Banking Supervision, Climate-Related Financial Risks – Measurement Methodologies (Apr. 2021), at 20, <https://www.bis.org/bcbs/publ/d518.pdf>.

¹⁹ This section is, in part, responsive to Question 6 posed by the OCC: “What time horizons do banks consider relevant when identifying and assessing the materiality of climate-related financial risks?”

“work[] with [the OCC’s] interagency peers to develop more detailed guidance [in 2022].”²⁰ Similarly, the Federal Reserve has said that it will review the comments submitted in response to the Proposal as part of interagency coordination relating to climate-related financial risks, noting that “[a] consistent approach across bank regulatory agencies will best support the effective management of these risks.”²¹

We appreciate in particular the Proposal’s alignment with other U.S. banking regulators in selecting scenario analysis rather than traditional stress testing exercises in the context of climate-related financial risks. The Federal Reserve has distinguished scenario analysis from stress testing,²² and stated that the agency currently only is developing a program on climate-related scenario analysis.²³ Additionally, the FSOC Report strongly recommended that member agencies use scenario analysis, and did not recommend climate stress testing akin to the Dodd-Frank Act Stress Tests or the Comprehensive Capital Analysis and Review.²⁴

B. Recommendations²⁵

The final guidance should:

- Retain the Proposal’s focus on scenario analysis rather than traditional stress testing, consistent with the Federal Reserve’s approach and FSOC’s recommendations; and
- Outline expectations for scenario analysis frameworks and exercises—including with respect to time horizons, assumptions regarding “plausible future states,”

²⁰ OCC, News Release 2021-138: OCC Seeks Feedback on Principles for Climate-Related Financial Risk Management for Large Banks (Dec. 16, 2021), <https://occ.treas.gov/news-issuances/news-releases/2021/nr-occ-2021-138.html>.

²¹ Rachel Koning Beals and Greg Robb, “OCC takes step toward pressure on large banks to reveal climate-change risks,” Marketwatch (Dec. 16, 2021), <https://www.marketwatch.com/story/occ-takes-step-toward-pressure-on-large-banks-to-reveal-climate-change-risks-11639688971>.

²² See, e.g., Jerome Powell Remarks, Green Swan Conference, hosted by the Bank for International Settlements (Jun. 4, 2021); Lael Brainard, “Financial Stability Implications of Climate Change” (Mar. 23, 2021), <https://www.federalreserve.gov/newsevents/speech/brainard20210323a.htm>.

²³ See, e.g., Federal Reserve, Financial Stability Report, at 63 (Nov. 2021), <https://www.federalreserve.gov/publications/files/financial-stability-report-20211108.pdf>.

²⁴ FSOC Report, *supra* note 1, at 90 (“Scenario analysis is similar to, but distinct from, stress testing as deployed by financial regulators, such as the supervisory Dodd-Frank Act Stress Tests of the Federal Reserve Board, OCC, and FDIC and the Comprehensive Capital Analysis and Review (CCAR) performed by the Federal Reserve Board on the largest banking organizations.”).

²⁵ This section is, in part, responsive to Question 13 posed by the OCC, “What factors are most salient for the OCC to consider when designing and executing scenario analysis exercises?”

requirements regarding which portfolios are stressed, and use of third-party scenarios—that are consistent with those the Federal Reserve ultimately issues.

V. The final guidance should clarify that board of director responsibilities are consistent with previous OCC guidance on risk governance.

A. Observations and Considerations

The RMA Consortium appreciates the OCC’s plan to distinguish the roles and responsibilities of the board and management with respect to climate-related financial risk oversight in the final guidance.

The OCC has articulated detailed expectations for the board’s oversight of a bank’s risks and risk management in the Heightened Standards and Director’s Book.²⁶ Aspects of the Proposal appear to draw from these sources in describing the board’s and management’s roles and responsibilities. For example, the Heightened Standards contains the same directive to the board as found in the “Governance Principle” of the Proposal that the board should “actively oversee the bank’s risk-taking activities and hold management accountable for adhering to the risk governance framework.”²⁷

However, the Heightened Standards includes more detail regarding expectations for how boards are to fulfill their oversight responsibility, stating that “the board of directors may rely on assessments and reports prepared by independent risk management and internal audit to support the board’s ability to question, challenge, and when necessary, oppose recommendations and decisions made by management”²⁸ The RMA Consortium notes that banks carefully review the articulation of board responsibilities in regulatory guidance in shaping their risk governance; distinctions in the descriptions of board responsibilities across guidance can introduce confusion as to whether a regulator intends to alter the board’s responsibilities. As such, the RMA Consortium believes that, as to board responsibilities, the final guidance should reference the OCC’s outstanding guidance on risk governance or articulate the responsibilities, both in wording and context, consistent with such guidance.

B. Recommendations

The final guidance should clarify that board of director responsibilities are consistent with previous OCC guidance. Specifically, the final guidance should:

²⁶ See 12 CFR 30, app. D; OCC, Director’s Book: Role of Directors for National Banks and Federal Savings Associations (Nov. 2020), <https://www.occ.gov/publications-and-resources/publications/banker-education/files/directors-book.html>.

²⁷ 12 CFR 30, app. D.III.B, “Standards for Board of Directors, Provide Active Oversight of Management.”

²⁸ *Id.*

- Clarify that it does not represent an adjustment in longstanding OCC expectations regarding the board’s role and responsibilities, including as they relate to management’s role and responsibilities; and
- If stated other than through cross-reference to such guidance, the articulation of board responsibilities in the final guidance should cross-reference to or replicate to the extent appropriate the descriptions of relevant board of director responsibilities in previous guidance.

VI. The final guidance clarify the OCC’s expectations with respect to (a) banks’ consideration of climate-related financial risk impacts on LMI and other disadvantaged households and communities and (b) public communications regarding banks’ climate-related strategies.

A. Observations and Considerations

The RMA Consortium agrees with the OCC’s statement in the Proposal that climate change could have disproportionate impacts on the financially vulnerable, including LMI and other disadvantaged households and communities and that it is important for banks to consider the implications on such stakeholders. The RMA Consortium encourages the OCC to collaborate with peer banking agencies, federal housing agencies and government sponsored enterprises to identify appropriate mechanisms for banks to employ to respond to the potential impacts to these communities. For example, banks potentially could leverage their Community Reinvestment Act (“CRA”) programs. As part of the planned interagency modernization of regulations implementing the CRA, it may be appropriate to enable banks to receive CRA credit for financing climate resiliency activities that revitalize or stabilize LMI and other disadvantaged communities.²⁹ Our member institutions welcome discussion on this important issue.

With respect to public statements, the Proposal calls for banks to “ensure that any public statements about their banks’ climate-related strategies and commitments are consistent with their internal strategies and risk appetite statements.”³⁰ We encourage the OCC to clarify the wording of the expectation regarding public statements by stating that the OCC’s focus in this area is for banks to make full and accurate disclosures regarding climate risk plans, strategies or actions.

²⁹ In 2021, the New York Department of Financial Services incorporated such climate-based credit incentives into the New York State Community Reinvestment Act. *See* New York State Department of Financial Services, CRA Consideration for Activities that Contribute to Climate Mitigation and Adaptation (Feb. 9, 2021), https://www.dfs.ny.gov/industry_guidance/industry_letters/il20210209_cra_consideration.

³⁰ Proposal, “Strategic Planning” Principle.

B. Recommendations

The RMA Consortium encourages the OCC to clarify its expectations with respect to (a) banks' consideration of climate-related financial risk impacts on LMI and other disadvantaged households and communities and (b) public communications regarding banks' climate-related strategies in the following ways.

- In order to effectively address disproportionate impacts, the RMA Consortium encourages the OCC to collaborate with relevant agencies to identify appropriate mechanisms for banks to employ to respond to potential climate-related financial risk impacts on LMI and other disadvantaged households and communities, including by leveraging the planned interagency modernization of regulations implementing the CRA.
- The final guidance should align expectations regarding banks' public communications with the U.S. securities disclosure regime, which requires accuracy in public statements. We further request that expectations regarding public communications and disclosures align with any future rules and guidance specifically related to climate disclosures issued by the Securities and Exchange Commission.³¹

VII. The final guidance should harmonize with bank regulatory frameworks for climate-related financial risk management in foreign jurisdictions.

A. Observations and Considerations

The RMA Consortium also appreciates the OCC's engagement on climate-risk management with foreign banking regulators. The scope of bank supervisors' mandates with respect to climate risk responses vary by jurisdiction, which may result unto itself in certain distinct requirements across jurisdictions. Nevertheless, consistency to the extent of consistent mandates among supervisors across jurisdictions in evaluating a bank's incorporation of climate-related financial risk management practices would facilitate more efficient and effective compliance and climate-related financial risk management by internationally-active banks and foreign headquartered banks subject to international laws and regulations on a consolidated, enterprise-wide basis.

³¹ See, Acting Chair Allison Herren Lee, Public Input Welcomed on Climate Change Disclosures (March 15, 2021), <https://www.sec.gov/news/public-statement/lee-climate-change-disclosures?source=email>.

B. Recommendations

The final guidance should aim for high-level alignment internationally across jurisdictions with consistent mandates. In particular, the RMA Consortium recommends that:

- The OCC should seek to coordinate among cross-jurisdictional authorities and aim for consistency in high-level industry standards across jurisdictions where appropriate with the goal of creating “interoperable” climate-related financial risk management guidance and principles. In this way, the efforts of financial institutions to create tools and process with respect to climate risk management in one jurisdiction may still be relevant and utilized to adhere to requirements in another jurisdiction.

VIII. Conclusion

RMA Consortium appreciates the opportunity to provide these comments and thanks the OCC for its efforts in developing guidance for banks on climate-related financial risk management practices. The RMA Consortium looks forward to continuing its engagement with the OCC on these issues.

* * *

Sincerely,



Fran Garritt
Director
Risk Management Association