

Joseph Otting confirmed as comptroller of the currency



Biography

Previous position: Managing partner of Ocean Blvd LLC and Lake Blvd LLC

Assumed position: 2016

Born: 1962

Hometown: Maquoketa, IA

Education: B.A., University of Northern Iowa

Professional Experience

- Prior to his nomination, Otting had a long career in financial services and worked for a number of highly regarded regional banks
- Between 2001 and 2010, he worked for U.S. Bank, a subsidiary of U.S. Bancorp, where he oversaw an expansion of the lender's presence in California
- From October 2010 until his termination in December 2015, he served as president and CEO of OneWest Bank, where he worked closely with the bank's founder, current Treasury Secretary Steven Mnuchin
- OneWest was accused of abusing homeowners during the foreclosure process and reached an \$89 million settlement with the Department of Justice in May 2017 regarding abuses in its reverse mortgage division

“

This Administration is putting the banking industry back in charge of policing itself. Joseph Otting is yet another bank exec who profited off the financial crisis who is being rewarded by the Trump Administration with a powerful job overseeing our nation's banking system”

— Sen. Sherrod Brown (D-OH)

“

I actually find that refreshing, versus bureaucrats that just ride this escalator learning how to regulate, regulate, regulate more, so I think that's a good thing, not a bad thing”

— Sen. Thom Tillis (R-NC)

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Sens. Joe Manchin (D-WV) and Heidi Heitkamp (D-ND) voted with Republicans to confirm Otting 54-43



Comptroller of the Currency (OCC)

- The OCC is an independent agency that oversees most of the largest federally chartered U.S. banks, including Citigroup, Bank of America and JPMorgan Chase, and has significant influence over the regulatory tone that supervisors take with financial firms
- Though the Obama administration's OCC was one of the banking industry's toughest regulators, it is now becoming a key part of Trump's campaign to roll back financial regulations
- Otting's confirmation should be one of the last major regulatory appointments by Trump, a lineup that is likely to relax oversight of the nation's financial institutions and loosen some post-crisis rules



Otting's policy views

- Though Otting's policy views are less well-known than those of Keith Noreika, the OCC's interim director, it is likely he will continue in the same direction as Noreika on deregulation
- **Capital requirements** — during his confirmation hearing Otting proposed reviewing and reforming the various layers of capital requirements imposed on banks, although he did praise post-crisis regulations for helping banks better understand their risks
- **Community banks** — Otting mentioned his desire to ease regulations on community banks, emphasizing the importance of improving financial access for lower-income people and minorities
- **Volcker rule** — Otting is likely to continue the efforts of Noreika to review and reform provisions of the Volcker rule

Sources: Andrew Ackerman and Lalita Clozel, "Senate Approves Joseph Otting for Top Banking Role," The Wall Street Journal, November 16, 2017; Whitehouse.gov, June 2017.