Message from the Office of the Comptroller of the Currency: How Info-Metrics Helps the OCC

The Office of the Comptroller of the Currency (OCC) has supported the Info-Metrics Institute since its creation. The Institute promotes research and scholarly interaction in areas of modeling and analysis that directly apply to the bank supervision work of the OCC. With insights gained in part through our association with the Institute, OCC staff is better able to evaluate the methods used by banks, to suggest new approaches, and to encourage better practices.

In addition to oversight of bank modeling and analysis, the OCC has ongoing analytical needs of its own. The OCC has significantly expanded its collection of highly granular, standardized data from banks. Effective use of such data could fundamentally change the practice of bank supervision, but that in turn requires development of appropriate methods of analysis and presentation. OCC staff members have incorporated approaches based in information theory into their own research, in part by drawing on the insights of scholars associated with the Institute.

Finally, the Institute is in a position to foster broader methodological improvements that could make a material difference in the operation of banks and other financial firms. Improvements in financial modeling play an important role in making the global financial system safer and less susceptible to failure. The OCC has been pleased to support the development and growth of the Institute, in view of its potential for broad and substantial benefits to banks, the financial system, and the public.

-Mark Levonian, Senior Deputy Comptroller, Office of the Comptroller of the Currency