

Legal Interpretations in Examination Appeals Should be More Transparent

By [Randall D. Guynn](#), [Margaret E. Tahyar](#) & [Ryan Johansen](#) on April 30, 2018

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Davis Polk has submitted a [comment letter](#) on the Federal Reserve's [proposed amendments](#) to its guidelines on internal appeals of material supervisory determinations (the **Proposal**). While we understand, of course, that discretion is a necessary element of supervision, our concern is with discretion that is insufficiently accountable, involves legal interpretation more often than is realized and takes place behind the curtain of confidential supervisory information. In our view, this realm of secret legal interpretation should be more limited, transparent and accountable.

To that end, our comment letter proposes clarifications and improvements to the Proposal to support greater consistency in the appeals process and to better align the Federal Reserve's internal appeals process for material supervisory determinations with the rule of law and the principles of transparency and accountability.

[Read the full comment letter](#)