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# Financial Institution Examining Series

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# Financial Institution Examining Series

GS-0570

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## **SERIES DEFINITION**

This series includes all classes of positions the duties of which are to direct, supervise, advise on, or perform examinations of financial institutions such as banks, savings or building and loan associations, cooperative banks, home financing institutions, cooperative savings and lending organizations and similar institutions for such purposes as determining financial condition; quality of assets; extent of liabilities; operating results, trends, and policies; extent of compliance with provisions of charters, by-laws, and regulatory laws and regulations; accuracy of financial records; and whether irregularities have occurred. Some positions also include furnishing advice and assistance concerning the organization, operations, and policies of such institutions. Work characteristic of this series requires some, but less than full, professional knowledge of accounting and auditing principles, procedures, and techniques; and knowledge of the laws and regulations controlling the organization and operation of such institutions and the operating methods, procedures, and practices of financial institutions.

## **COVERAGE OF THE SERIES**

Positions concerned with the performance of financial institution examining work that requires a full professional knowledge of accounting principles procedures and techniques are excluded from this series. Such positions are classified in the [Accounting Series, GS-0510](#).

## **EXPLANATORY STATEMENT**

Financial institution examining work involves primarily the conduct of supervisory examinations of noncommercial banks, savings and loan associations, credit associations, or other financial institutions which are similar in that they are subject to Federal Government controls over their organization and operations. These examinations are made by Federal agencies responsible for administering the various laws and regulations designed (a) to protect public funds invested in such institutions, (b) to provide sources of credit for a particular type of borrower, and (c) to stabilize the credit structure of the economy. Regulatory programs have been established to control such financial operations as (1) providing home financing credit and saving opportunities to the general public, (2) providing a credit system especially adapted to the needs of farmers and agricultural interests, and (3) making credit and savings opportunities available to businessmen or to other persons of small means. In general regulatory provisions limit, to a greater or lesser extent, the lending and investment activities of financial institutions. In some cases, these restrictions preclude any participation in operations other than those specifically authorized (e.g., where investments are limited to United States securities). In other cases, the regulatory provisions may be less restrictive so that the institution may engage to a limited extent in most or all of the full range of activities normally found in commercial banking operations.

Supervisory examinations differ from agency to agency in the kinds of matters considered in determining financial condition and soundness of financial operations. These differences may result from variations in the regulatory provisions that control the operations the institution may engage in.

(Note: The examinations which are characteristic of the work of positions in this series are referred to as "supervisory examinations" in some of the applicable legislation, by the agencies responsible for the examinations, in the "trade," and, therefore, in this standard. These examinations are broader in scope and purpose than the financial audits made to verify the accuracy of the accounting records and statements. The "supervisory examination" constitutes the most important single type of activity by which the responsible agencies oversee and control -- or "supervise" -- the operation of the several types of financial institutions.

The word "supervisory" as thus used has a different connotation from that which accompanies the use of the word in most position classification standards and in connection with other personnel management purposes. The term "supervisory examination" does **not** denote supervision over other employees nor require ability to direct their day-to-day work and is not measurable as to grade level value by the same kind of standards used to evaluate responsibility for the work of other employees. In order to avoid confusion between "supervisory" as used in this standard to denote a type of examination of financial institutions and its more customary use to denote responsibility for the work of other employees, this standard uses the word "officer" in the class titles of positions which include responsibility for the work of other employees and typically refers to such responsibility by the term "management and supervision.")

The purpose of the supervisory examination is to determine the extent of compliance with the Federal laws, rules, and regulations that govern the institution; the degree of conformance with the by-laws and resolutions made by the institution itself to control its operations; the financial condition of the institution and the current and projected financial soundness of its operations; the propriety and effectiveness of the methods and procedures employed by its management; the integrity and accuracy of the records it maintains; and the quality of the assets and collateral held in support of loan operations.

The basic supervisory examination normally includes all of the following elements: the establishment of examining controls; the examination, analysis, and, as necessary, evaluation of all asset, capital, and liability accounts to determine their accuracy and adequacy; the verification of accounts on the basis of either a test check or a more extensive or complete audit, if this is required or is indicated to be necessary by the test check; and the review and analysis of all other records associated with the financial and management operations of the institution.

Of major importance in financial institution examining work is the review of the mortgages, notes, or other loan documents. This review is an essential part of the evaluation of the nature and financial soundness of the institution's lending operations and the extent to which they conform with its lending policies and with applicable regulatory provisions. Included in this review are (1) the inspection of notes, mortgages, and supporting or associated documents to determine that these are proper as to form, completeness, general legal requirements, and local practice; (2) review of the loans to evaluate the analyses made of the sufficiency of the collateral accepted as security for loans in terms of valuation methods used, relationship between amount of loan and

value of collateral, and consideration given to general economic and to real estate, industrial, commercial, or agricultural conditions or trends; (4) classification of the loans as to quality involving appraisal of ability and willingness of the borrower to repay upon consideration of such factors as the current and anticipated financial condition of borrower, credit history and financial reputation of the borrower, practicality or feasibility of repayment terms, and probable effectiveness of refinancing on more realistic terms; (5) analysis of delinquent loans including consideration of such matters as extent of delinquency in individual loans, overall proportion of delinquent loans, probable cause of delinquency, effectiveness of collection procedures, and possible remedial action; (6) analysis of loans of particular types as, for example, those subject to special limitations, loans that constitute a disproportionate concentration of the total lending operations; speculative loans, loans on services for which there is inadequate market, loans in declining areas, and construction loans to determine their quality and effect upon the lending operation as a whole; (7) review of the loans and their supporting documents for evidence of lending and investment practices involving self-dealing, fraud, irregularities, or other improper practice, and (8) other related matters which may be involved.

All other accounts, operations, procedures, and practices of the financial institution are classified, analyzed, and appraised. Included in this process is consideration of such elements as the credit quality of the security, real estate, or other holdings; the nature of its investment activities in relation to its financial condition; the character of its liabilities in relation to its ability to meet withdrawals, the relation between loan and investment policies and seasonal or other fluctuations in deposits or share accounts, trends in operating earnings and expenses; and the relation between its dividend policy and its capital and assets. In addition, an analysis and evaluation is made of the attitude and ability of the management of the institution on the basis of a review of the minutes of meetings held by directors, officers, committees and/or shareholders; study of the organization of the institution, and consideration of the relation between these attitudes or abilities and the current condition and operations of the institution. Consideration is given to the capabilities of officers in the performance of their designated duties, the extent to which management maintains familiarity with and interest in loan and investment policy and operations, the reputation of the institution in the community, the nature and propriety of proposed changes in the by-laws; and other management matters which may affect the financial soundness of the institution.

Typically, the results of the supervisory examination are discussed with the management of the institution for such purposes as: securing additional or clarifying information regarding matters which appear to be discrepancies in the records or unsafe or improper practices; securing information necessary to determine the propriety of loans or investment actions made by management personnel; advising on the kind of corrective action necessary in cases of noncompliance with charter provisions or other governing laws and regulations; reporting possible indications or evidence of defalcation or self-dealing; recommending modifications in the accounting system or practices to improve internal checks and controls; and securing information regarding or advising on other similar matters which may be important in determining or effecting conformance with regulatory provisions and sound banking and financial principles and procedures.

A full report of the examination is prepared showing in detail the conditions found with respect to the operating, accounting, management, and other pertinent aspects of the institution examined. Such reports include schedules, inventories, trial balances, and comments supported by working papers prepared in standard form or in forms adapted to meet special situations or conditions. The reports include also a narrative statement which discusses any unusual conditions or problems; explains in detail any particular situation that necessitates extending the scope of the examination; presents the evidence or indications pointing to any violation of law or regulatory provisions and provides information concerning all other matters which may be of importance in the examination of the institution involved.

All examination reports are reviewed by other financial institution examiners after completion of the examination, for accuracy and adequacy in the application of established examining methods and procedures; adequacy of the investigation and analyses made; accuracy in the application of pertinent regulatory laws and provisions; soundness of conclusions, observations, comments, or recommendations; clarity of presentation; and conformance with established policies and procedures. A few positions in this series are concerned exclusively or predominantly with the review of examination reports. These positions generally require the same basic knowledges and abilities as positions concerned with conducting supervisory examinations of the same difficulty level but they do not include some of the more demanding and significant duties in positions of the latter kind (e.g., personal work contacts, planning the examination). Usually, these differences are fully compensated by emphasis in the reviewing examiner positions on broader training or assignment duties, such as evaluating examination reports from an overall training standpoint, determining specialized competence of individual examiners for use in making future team assignments, and evaluating training needs of examiners on a general basis. The final technical review made in the reviewing examiner position differs materially from the review of examination reports which is sometimes required or used as a training technique for supplementing the experience of the examiner making the review. This latter kind of review is evaluated as a training responsibility and, hence, does not include the same types of responsibility as are described above. In classifying positions concerned with the review of examination reports, careful consideration is necessary in determining the purpose of the review and, in the case of positions involving final technical review, in evaluating the specific duties involved and the relationships among them.

Positions concerned with supervisory examinations may include, in addition, responsibility for other types of examination work (such as examinations to determine the eligibility of State chartered organizations for insurance of accounts) which requires the application of knowledges and abilities that are similar in kind to those applied in supervisory examinations. In some cases, the difficulty and responsibility involved in making eligibility examinations is substantially different from that involved in making supervisory examinations. For this reason the exact nature of the eligibility examination work should be determined and the proportion of eligibility to supervisory examination work in a position should be carefully evaluated to determine whether the grade level of the position as a whole is affected.

## **CLASSIFICATION FACTORS**

The distinctions between the grades of positions covered by this standard are based on differences in the qualifications required and in the level of difficulty and responsibility involved in the work. Variations in these factors result from differences in (1) the complexity of the financial operations involved which affects the extent of the required knowledge of financial and banking principles, management practices, and accounting principles and also the extent of the required knowledge of economic, industrial, agricultural, commercial, or other conditions and activities affecting such financial operations; (2) the degree of applicability of established methods and procedures, regulatory provisions, and precedent situations which affect the extent to which the work requires diplomacy and tact in dealing with others involved in or associated with the work or persons engaged in the operation or management of financial institutions; and (3) the kind of management control under which the work is performed which affects the independence with which the work is performed.

The standard classification factors were considered and used in determining the appropriate grade levels for positions concerned with supervisory examinations. However, detailed descriptions of all elements of these factors would necessarily be highly repetitive and, hence, have not been included. In order to present the grade differentiating material in as clear, concise, and usable a manner as possible, only those elements of the standard classification factors that distinguish one grade from another are described at the grade levels in this standard.

## TITLES

Differences in the titles for positions in this series are based upon certain differences in the qualifications required to perform the work. Some of the basic knowledges and abilities required at corresponding levels are of the same kind in all types of supervisory examinations.

However, supervisory examinations differ according to the subject-matter nature of the particular regulatory provisions involved and the type of institution examined and this difference is important in recruitment, selection, or transfer processes. For this reason, separate classes are established for positions concerned with the various kinds of financial examination work.

The title, *Savings and Loan Examiner* is established for all nonsupervisory positions concerned with supervisory examinations of savings and loan associations.

The title, *Farm Credit Examiner*, is established for all nonsupervisory positions concerned with supervisory examinations of Federal land bank or production credit associations, Federal intermediate credit banks, Banks for Cooperatives, or Federal land banks.

The title, *Investment Company Examiner*, is established for all nonsupervisory positions concerned with supervisory examinations of investment companies engaged in financing small business enterprises.

The title, *Financial Institution Examiner*, is established for nonsupervisory positions concerned with supervisory examinations of financial institutions not appropriately described by any authorized specialization.

The titles, *Savings and Loan Examining Officer*, *Farm Credit Examining Officer*, *Investment Company Examining Officer* and *Financial Institution Examining Officer* are substituted for the above titles whenever the positions include significant responsibility for managing and supervising the work of other examiners of financial institutions. However, except at the trainee level, positions in this series characteristically include responsibility for serving as examiner-in-charge of a supervisory examination or as a team leader responsible for conducting an assigned portion of the entire examination. Such responsibility is limited to assigning, giving instructions in, and reviewing the work performed by assisting examiners who are assigned to the examiner-in charge only for the duration of the specific assignment. Responsibility of this kind is not considered to be managerial and supervisory for titling and qualifications required purposes. The "officer" titles, therefore, are to be used only for positions that include continuing responsibility for the work of the same group of employees and for such other aspects of normal managerial and supervisory responsibility as developing policy, planning and directing overall operations within an assigned area, planning and conducting training programs, etc. Part II of the [Supervisory Grade Evaluation Guide](#) evaluates such "officer" positions.

### **SPECIAL NOTE**

The absence of standards for nonsupervisory positions above the GS-12 level does not mean that positions properly classifiable above this level do not exist. Most positions above the GS-12 level that are concerned with normal supervisory examinations include a substantial proportion of managerial responsibility and for this reason are not described in this standard. However, any nonsupervisory position that involves examination work of substantially greater difficulty than that described at the GS-12 level should be classified in whatever grade is appropriate.

## **GRADE LEVEL DESCRIPTIONS**

### **SAVINGS AND LOAN EXAMINER, GS-0570-05 FARM CREDIT EXAMINER, GS-0570-05 INVESTMENT COMPANY EXAMINER, GS-0570-05**

Positions in these classes are those of employees who receive training in the conducting of supervisory examinations.

#### *Characteristics of the level:*

At this level, positions include responsibility for receiving on-the-job and formal classroom, lecture-type, conference, or other training and instruction in the laws and regulations controlling the organization and operation of the kind of financial institutions concerned; the financial principles and operating practices normally used in such financial operations; and the work methods, techniques, and procedures to be used in performing supervisory examinations.

Selected work assignments are carried out under the direct guidance and review of an examiner in a higher-grade position who assigns the specific tasks to be performed, gives detailed instructions in the methods and procedures to be used, explains the application of pertinent regulatory provisions, and reviews the work performed, during its performance or at its completion, for accuracy, completeness, and conformance with instructions.

Typical of the examining duties performed by employees in positions at this level are the counting of cash on hand; the preparing of subsidiary ledger listings; the proving of individual ledger listings to the appropriate control accounts; and the performance of miscellaneous audit duties such as the examining of mortgage, real estate, or other legal instruments for proper execution and presence of required supporting documents.

The qualifications required to perform the duties typical of this level include: knowledge of basic accounting principles, forms, methods, and practices; ability to apply established methods and procedures in accomplishing assigned supervisory examination duties; ability to apply rules and regulations which define requirements in specific terms and are clearly applicable to the material examined; and ability to deal with people tactfully and effectively.

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Positions in these classes typically include the performance, for developmental purposes, of assignments involving progressively more difficult supervisory examination duties.

*Characteristics of the level:*

Assignments characteristic of this level normally involve (1) the application of established examining methods and procedures, the application of rules and regulations that are specific and clearly pertinent to the material concerned, and the verification of standard types of accounting forms and records; (2) making determinations that are based on concrete evidence produced through accurate and adequate accumulation of factual information, not requiring analysis or understanding of implications which may be present in the material examined; and (3) recognizing and referring to the supervisor such unusual problems or circumstances as questions in the applicability of rules or regulations, the propriety of nonstandard accounting practices, or the acceptability of deviations from prescribed or commonly accepted management procedures.

Initially, assignments are performed in accordance with detailed instructions given by an examiner in a higher-grade position concerning the action to be taken with respect to such matters as accounting inaccuracies or inadequacies, failure to conform with regulatory provisions, or other unusual circumstances. As competence in the work is acquired, instructions concerning those matters become less specific and direct until the employee is performing work of the difficulty described below independently except for initial assignment and post review of the work performed.

Typical of the tasks performed are: reconciling depository balances and verifying individual transactions; reviewing loan accounts for adequacy of performance and compliance with charter requirements; tracing individual transactions through general and subsidiary ledgers and related accounting records; verifying computations and reconciling general and subsidiary ledgers; verifying approval of actions and policies in directors' minutes of transactions over a specified time period; etc.

The work is performed under the direction of an examiner in a higher-grade position (physically present or readily accessible by telephone) who assigns the examination duties to be accomplished, furnishes advice regarding any unusual circumstances that are known or anticipated, gives instructions concerning the action to be taken with respect to problems regarding the applicability of established procedures or pertinent regulatory provisions, and reviews the work performed for accuracy, adequacy, compliance with any special instructions, and conformance with established methods and procedures.

Assignments become progressively more difficult and ultimately include the performance of supervisory examination duties characteristic of the GS-9 level under the close supervision of an examiner in a higher-grade position.

The qualifications required to perform the duties typical of this level include: knowledge of basic accounting principles, forms, methods, and practices; ability to apply established methods and procedures in accomplishing assigned supervisory examination duties; ability to apply rules and regulations which define requirements in specific terms and are clearly applicable to the material examined; and ability to deal with people tactfully and effectively.

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**FARM CREDIT EXAMINER, GS-0570-09**  
**INVESTMENT COMPANY EXAMINER, GS-0570-09**

Positions in these classes typically include the conducting of major phases or segments of supervisory examinations of average difficulty.

*Characteristics of the level:*

Assignments at this level are developmental in nature and are designed to familiarize employees with the situations and circumstances normally encountered in the conduct of supervisory examinations of average difficulty and to provide, through work experience, the knowledges and abilities of the kind required in positions at the GS-11 level. Some assignments involve responsibility for conducting different segments of supervisory examination work to provide experience in applying established examining methods and regulatory provisions in all phases of the work. When proficiency in all aspects of the work is attained, employees are assigned responsibility for independently conducting supervisory examinations of less than average difficulty. Other assignments are limited to the examination of financial records, and emphasis is on the development and application of the knowledges and abilities required in determining the kind of information required to resolve questions of an unusual nature and in developing methods of securing such information from financial records. Such assignments, however, are intended also to provide the employee with capability to undertake supervisory examination work of the level described at GS-11.

Assignments at this level are characterized by the following elements:

1. The work includes responsibility for applying established examining methods and procedures, clearly applicable regulatory provisions and standard accounting methods and techniques in the performance of assigned duties and for recognizing deviations from those requirements and referring these to an employee in a position in a higher grade.
2. Examining, regulatory, and accounting problems of an unusual nature normally occur infrequently, if at all. Such problems as are encountered are of a relatively routine nature, have occurred in previous examinations, and can be readily detected through the use of

established examining methods and procedures (e.g., such problems as: failure to follow standard practice in the accounting treatment of individual transactions; readily discovered misinterpretation of regulatory provisions, etc.).

3. The work includes the preparation of a detailed report which (a) includes all supporting schedules, trial balances, or other working papers and (b) identifies any deviation from prescribed procedures, exceptions, accounting inadequacies, and matters which may require further investigation and/or analysis that is beyond the scope of prescribed examining methods and procedures. Preparation of this report may involve the review of material prepared by assisting examiners for accuracy and adequacy and coordination of these results with the findings made personally.
4. The assigned duties constitute major segments of an examination of average difficulty and involve (a) assigning and coordinating the work performed by 2 or 3 assisting examiners in positions in lower grades engaged in such duties as: analysis of internal checks and controls; the verification, analysis, and reconciliation of reserves; the comparison of minutes of directors' meetings with transactions for a specified period; and review of documents supporting loans to evaluate their quality classification and conformance with charter, legal, and regulatory requirements and (b) coordinating the duties performed by assisting examiners with the duties performed personally and also with the work conducted by the examiner-in-charge.
5. The work may include responsibility for *independently* conducting, for developmental purposes, selected supervisory examinations of limited difficulty, such as those in which (a) the institutions typically involved are relatively small (e.g., single unit savings and loan institutions, Federal land banks, or small business investment companies which are not organized on a departmentalized basis; are conducted by competent personnel using standard accounting methods and management practices; have a history of successful operation and conformance with regulatory requirements so that serious problems are not anticipated; and have an examining workload which can be accomplished without assistance or with not more than 1 or 2 examiners, (b) analysis of the loan file is relatively uncomplicated such as that involved when loans are of the kind specifically authorized in supervisory regulations; the analysis by the institution of borrowers' financial ability is adequate and made in accordance with commonly-used investigative methods; and the loans are adequately supported by documents executed in required form, and (c) directors and officers of the institution are usually cooperative and willing to discuss the examination findings with understanding. (**Note:** Positions in which assignments of this level of difficulty and responsibility are performed on a continuing basis, not solely for developmental purposes, are classified at this level.)
6. In assignments which are restricted to the review of financial records (e.g., Federal land bank and production credit associations), the work at this level typically involves such problems as questionable business practices, embezzlements, shortages, violations of regulatory provisions, or other similar problems which require analysis to determine the

kind of information necessary to establish the facts at issue, developing methods and procedures to obtain such necessary information, and making extensive examinations and verifications of accounts and related financial records of the institution. In addition, employees in this type of position typically provide on-the-job training for assisting examiners and also perform such additional duties as evaluating the effectiveness and suitability of established examining methods and procedures, developing and recommending changes in training manuals used by lower-grade employees to incorporate changes in examining methods and revisions which will provide for greater efficiency in the conduct of examinations, including such areas as the applicability of established examining methods in specific cases, the propriety of material included in examination reports, and other matters of a similar nature.

7. The work is performed under an employee in a higher-grade position who (a) assigns employees to serve as assisting examiners where these are required, (b) provides instructions and advice concerning any questions as to the adequacy or applicability of established examiner methods or any questions concerning the interpretation of regulatory provisions, and (c) reviews reports of examination for accuracy in the application of pertinent rules and regulations, adequacy, validity of conclusions, clarity of presentation, and conformance with established methods and procedures.
8. In addition to the knowledges and abilities required at lower levels, all assignments at this level require: ability to plan, review, and coordinate the work of 2 or 3 assisting examiners; knowledge of the financial principles applicable to and the usual functions, procedures, and practices of such financial institutions of the type involved as are engaged in operations of limited or average complexity; ability to perform analytical and evaluational duties of limited difficulty in determining the quality of loans or methods of developing information from financial records to resolve unusual problems.

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Positions in these classes characteristically include the conducting of complete financial examinations of average difficulty or conducting major phases or segments of more difficult examinations when the duties involved are of equivalent difficulty and responsibility.

*Characteristics of the level:*

Assignments at this level are characterized by responsibility for (1) applying a thorough knowledge of established examining methods and pertinent regulatory provisions in the performance of moderately difficult examining duties involving the full variety of accounting, management, and regulatory problems which normally occur in institutions of the kind involved within an assigned area and for (2) the recognition, analysis, and proper referral of cases involving

serious questions in the applicability or interpretation of regulatory provisions and/or the effectiveness or suitability of prescribed examining methods and procedures.

Assignments at this level are characterized by the following elements:

1. The institutions examined are usually those concerned with a specialized financial operation (e.g., savings and loan associations, small business investment companies, Federal land banks, Federal intermediate credit banks, and banks for cooperatives) and are of average size as, for example, single-unit institutions in which operations are organized on a departmentalized basis where the examination normally requires the assistance of from 5 to 10 examiners in positions in lower grades.
2. The planning of examinations and the assignment of duties to assisting examiners normally involves consideration of such elements as: the qualifications and training needs of assisting examiners; the most efficient order of carrying out the individual segments or phases of the examination in order to conserve time to the maximum extent possible without endangering the adequacy of the examination; and the extent to which personnel of the institution may be effectively used. In some positions (e.g., those concerned with savings and loan institutions), this function also includes responsibility for cooperating with State examining personnel including reaching agreement regarding the segments or portions of the examination to be accomplished by each authority, the adequacy of the examination proposed by either authority for the purposes of the other, and other similar matters of mutual concern.
3. The accounting records and methods and the management procedures involved are in most cases of standard type but common types of inaccuracies and inadequacies (e.g., failure to separate completely the handling and the recording of transactions) are of relatively frequent occurrence.
4. Analysis of the management operations of financial institutions normally involves such matters as determining (a) the cause of and/or appropriate corrective action for, collection procedures deemed to be ineffective upon consideration of the adequacy of the institution's investigation of the financial ability of the borrower, proficiency of the personnel within the institution and other similar elements, (b) the attitude and policy of the board of directors as evidenced by the nature and extent of speculative loan or investment operations, the qualifications and reputation of individual directors and officers of the institution, and information revealed in the records of the institution, and © the soundness and effectiveness of the internal organization and operations as evidenced by the nature and extent of the delegation of responsibilities and of the development and maintenance of adequate internal procedures and controls.
5. Analyses made of lending and investment operations are normally of such complexity as to require, to a substantial degree and on a continuing basis, the investigation of source material other than the records of the institution (e.g., inspection of property and

inspection of building, agricultural servicing, small business, or other commercial operations to determine compliance with loan terms; study of records maintained by civil jurisdictions to verify title; direct correspondence with depositors or members of the institution and with business enterprises and other financial institutions to establish pertinent facts at issue).

6. The evaluation of individual loans typically involves analyses of such complexity as is typified by (a) small-scale (involving usually-not more than five dwellings) construction lending operations which require that the examiner relate loan disbursements to the progress of construction, investigate stockpiling by contractors, inspect construction operations, and carry out other similar activities and considerations of equivalent complexity or (b) loans to cooperative associations for the purpose of providing canning, supply, or other agricultural services to farmers which involve evaluation by the examiner of the efficiency, equipment, and management of the cooperative association and consideration of its relative competitive position.
7. The work typically involves questions concerning the interpretation of regulatory provisions and the applicability of established examining methods in specific cases. In connection with these cases, the work includes responsibility for recognizing such problems, defining them precisely, and citing their similarities with and differences from routine applications, and may include the making of suggestions regarding appropriate action. These questions are referred to higher authority for review and decision.
8. Training responsibility over other employees typically includes evaluating the qualifications of employees assigned as assisting examiners and assigning to them such phases or segments of the examination as will provide them with the opportunity to acquire the knowledges and abilities necessary to perform more difficult and responsible duties.
9. Personal work contacts require a considerable degree of tact and diplomacy. Directors and/or officers of the institutions are in some cases uncooperative, not adequately qualified, engaged in speculative or self-dealing operations, or otherwise not entirely suited to their positions and corrective actions involved are sometimes of serious nature (e.g., concern such matters as the competence of an officer, self-serving operations, defalcations, etc.) so that contacts are difficult to conduct. Personal work contacts also usually include contacts with (1) legal representatives of the institution, often regarding such matters as shortages, self-dealing, and the securing of affidavits concerning liens, lawsuits, etc., and with (2) personnel of other Federal agencies in cases involving criminal actions. Such positions at this level as those concerned with savings and loan institutions normally include personal work contacts with State examining personnel which are made for the purpose of planning and conducting cooperative examinations and which may require considerable tact in maintaining adherence to Federal examining requirements.

10. The work generally includes the conduct of assigned special examinations or investigations when these require knowledges and abilities equivalent to those applied in conducting routine examinations. Such special cases may involve shortages, accounting irregularities, violations of applicable laws or regulations, institutions seriously affected by localized adverse economic conditions, or other matters which require detailed verification of accounting records, additional information, development of required supplemental material through reference to outside sources, consideration of all related matters and records, careful evaluation of the findings to insure the inclusion of all pertinent matters and the sufficiency of the material as evidence or as a basis for determining appropriate action, and preparation of a report which clearly and concisely presents all pertinent matters.
11. Supervisory control over positions in this class includes the assignment of examinations to be conducted and of employees to serve as assistants. Specific instructions prior to the examination are provided only in unusual cases when information regarding some aspect of the case is previously known. Review of the reports of examination is made for accuracy in the application of pertinent rules and regulations; adequacy; soundness of conclusions, observations, comments, or recommendations; clarity of presentation; and conformance with established procedures and policies.
12. The qualifications required in positions at this level include, in addition to those described at lower levels: a thorough knowledge of different applications of sound banking or financial principles made by institutions of the type involved within the assigned area; ability to recognize such matters as indications of serious examining problems not susceptible of treatment in accordance with established methods and procedures and major questions in the interpretation of regulatory provisions for referral to the supervisor; ability to make critical analyses and apply judgment in determining the extent and nature of the investigation necessary and in evaluating the quality of the loans, the soundness of the lending and investment operations, the propriety of accounting matters, and the effectiveness of management operations; knowledge of general economic conditions and of general real estate, agriculture, commercial, industrial, or other conditions and operations within an assigned area and the relationship of them to the kind of borrowers, the type of loans, the type of lending and investment operations, and other factors involved.

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**FARM CREDIT EXAMINER, GS-0570-12**  
**INVESTMENT COMPANY EXAMINER, GS-0570-12**

Positions in these classes typically include the conduct of supervisory examinations of more than average difficulty and may also include the conduct of special investigations when the problems involved are of greater than average difficulty or complexity.

*Characteristics of the level:*

Assignments at this level are characterized by responsibility for applying (1) an extensive background in the financial operations, management practices, and accounting methods generally practiced among financial institutions of the type involved and (2) a specialized knowledge of real estate, agricultural, small, business, or other operations and of general and local economic conditions, commercial and industrial operations, and other factors which may affect mortgage, small business, or agricultural lending operations within an assigned area in planning and conducting supervisory examinations that involve one or several difficult problems of an accounting, management, and/or regulatory nature.

Assignments at this level are characterized by the following elements:

1. The institutions examined are normally those concerned with specialized financial operations (e.g., savings and loan associations, Federal land banks, Banks for Cooperatives, small business investment companies, etc.), which are either (a) of large size as, for example, institutions of these kinds having 1 or 2 branch or associated offices and all operations organized on a departmentalized basis where the examination ordinarily requires the assistance of approximately 15 (or more) examiners in positions in GS-11 and lower grades, or (b) are smaller but involve special problems or investigations of greater than average difficulty or complexity and require the assistance of a smaller group of examiners.
2. The planning of the examination and the assignment of work to assisting examiners are of substantially greater difficulty than those which characterize the next lower level in that they involve (a) consideration of a substantially wider variation in qualifications and training needs of a greater number of assisting examiners, (b) the review and coordination of examination segments or phases which are individually classifiable at the GS-11 level, and in addition, © one or more such elements as more complex problems in determining the most efficient timing of the various segments or phases of the examination, devising methods of establishing simultaneous examining controls at branch and central offices, and correlating the findings developed at several offices or institutions e.g., central and branch offices of savings and loan associations or investment companies, production credit associations and Federal intermediate credit banks, etc.).

3. The work typically includes responsibility for resolving problems or questions that are difficult and/or complex because (a) established examining or investigative methods and procedures are inapplicable or inadequate; (b) significant situations or circumstances occur that are not covered in regulatory provisions; © the regulatory provisions are susceptible of more than one interpretation; (d) there is a lack of suitable precedent material for use as a basis for decision and both the nature of the information required and the methods of securing it must be determined; (e) there is evidence of, or questionable practices give strong indication of, possible misappropriation of funds, violation of regulatory provisions, or other unlawful actions; or for (f) other reasons of an equivalent nature.
4. Personal work contacts typically include contacts with directors and management officials of financial institutions and business corporations of large size and importance and involve, on a continuing basis, matters that require mature judgment, tact, and diplomacy. Also typically included are personal work contacts with the highly proficient accounting and legal representatives normally associated with such organizations or other contacts which require a high degree of technical competence on the part of the examiner conducting the supervisory examination.
5. Training duties over other employees normally include responsibility, in addition to providing on-the-job training for employees assigned as assistants, for (a) evaluating the importance from a general or overall training standpoint of situations and circumstances in cases conducted personally and presenting such material for the benefit of other examiners in conference or lecture training courses, (b) reviewing examination reports to determine training needs and preparing the material for and conducting training classes in report writing, preparation of working papers, and other matters involved in supervisory examination work, and © reviewing training manuals to evaluate the effectiveness and propriety of the contents and recommending revisions where appropriate.
6. Typical of assignments at this level are: (a) the examination of institutions engaged in tract or multiple loan operations in which extensive knowledge and thorough understanding of the practices and operations of the various building trades, physical inspection of construction operations, and extensive review and critical analysis of the institution's records are required to determine the relationship between loan disbursements and construction progress and whether this relationship assures adequate security for the financial institution, (b) the examination of institutions which are affiliated with building corporations, supply companies, development corporations, or similar interests requiring unusual resourcefulness in devising methods of securing information that is of vital importance but which is not readily accessible (e.g., material for use in establishing the presence or absence of conflict of interest or self-dealing elements), © the examination of institutions where the proportion of delinquent loans, the liquidity minimums, the reserve requirements, or similar matters are of such nature that they constitute a significant threat to the solvency of the institution so that the work requires the use of considerable ingenuity and a broad knowledge of all matters pertaining to the operation of the financial

institution concerned in order to develop new methods and procedures to provide adequate and appropriate information in a minimum of time, (d) the examination of institutions engaged in furnishing long term loans and equity capital to small business concerns requiring extensive knowledge of small business practices and operations and critical analysis of the institutions records to determine the propriety of interest and financing cost rates, relation between loan disbursement and construction progress, real and personal property used as collateral, debt securities with stock purchase rights or convertible debentures used as the basis for equity financing, the treatment accorded small business accounts in conversions, and other related matters and requiring, also, unusual resourcefulness in devising methods of securing information to establish the presence or absence of improper, illegal, conflict of interest, self-dealing, or usurious elements or operations; (e) the investigation of cases involving known or potential shortages, defalcations, or other illegal or criminal actions which require inventiveness in devising methods of overcoming obstructive practices and a thorough knowledge of the kind of financial operations involved, and (f) cases involving other questions or problems that require the same or equivalent knowledges and abilities.

7. Managerial and supervisory control over positions in this class includes: the assignment of examinations or investigations to be conducted and of employees to serve as assistants; the furnishing of advice in cases of very serious nature (e.g., those involving the possibility of management reorganization); and the review of reports of the examinations for soundness of conclusions, observations, comments, or recommendations and conformance with established policies.
8. The work normally requires, in addition to the knowledges and abilities described at lower levels, ability to devise new methods of developing information and new examining methods and techniques in areas where established methods and procedures are inapplicable or unavailable; knowledge of general economic conditions; specialized knowledge of local economic, real estate, agricultural, commercial, industrial, market, and other operations and conditions within an assigned area and in their relation to the home financing, agricultural credit, small business investment, or other financial operation involved; ability to make critical analyses and judgments regarding all aspects of complex financial operations and related business and industrial organizations; ability to meet and deal with people effectively and tactfully in situations involving adverse conditions and matters having serious impact on large-scale financial, commercial, agricultural, or other enterprises.