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**BANK BOARD AND FDIC AGREE TO CONDUCT CONCURRENT
EXAMINATIONS OF FDIC-INSURED FEDERAL SAVINGS BANKS**

The Federal Home Loan Bank Board and the Federal Deposit Insurance Corporation (FDIC) today announced that the two agencies will conduct concurrent examinations of savings banks chartered by the Bank Board and insured by the FDIC.

In a formal agreement delineating each agency's area of responsibility, the agencies set specific guidelines for cooperative efforts by examiners and supervisors.

Primary responsibility for the examination and supervision of the nation's federal savings banks rests with the Bank Board. The FDIC may participate in examinations scheduled by the Bank Board and may make special examinations to fulfill its responsibilities as the account insurer. The FDIC may also enforce contractual agreements in connection with capital assistance.

The program, which goes into effect July 1, contains the following principal features:

- The Bank Board will notify the FDIC 60 days in advance of scheduled examinations. The FDIC may participate in an examination or may request that Bank Board examiners provide selected information from the examination.
- The agencies' examiners-in-charge will jointly determine the scope of concurrent examinations.
- Each agency will develop its own examination report and will use its own methodology in classifying loans and other assets. Bank Board rules and regulations will be the basis for determining the extent of an institution's regulatory compliance.

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- Except for insurance termination actions or actions taken to enforce provisions of net worth certificates purchased by the FDIC, all supervisory actions will be taken by the Bank Board. The Bank Board will invite the FDIC to all meetings involving federal savings banks, and will notify the FDIC in advance of any enforcement actions. The FDIC will be given the opportunity to comment on all such actions. In cases where the FDIC takes action against an institution, the same level of interagency coordination will apply.
- Either agency may initiate a special examination of a FDIC-insured savings bank at any time, and will attempt to give the other agency at least 10 days notice.
- The agencies will also conduct concurrent examinations of affiliated institutions and non-bank affiliates to the extent necessary to disclose fully the relationship between a federal savings bank and its affiliates and the effect of the relationship upon the savings bank.

The agencies intend to work closely to ensure that each can fulfill its legal responsibilities, and expect the cooperative examination program to provide a framework for further development of mutually satisfactory working relationships.

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