

Item (a): CRA staff training: include a profile of the staff trained, the type of training and the average training period.

Response: FDIC CRA staff training is provided primarily in four ways. The bulk of compliance training, including CRA, is conducted on-site by senior field examiners. These individuals are generally the most experienced examiners who handle the more complex compliance and safety and soundness assignments. Our Regional Office staff keeps these examiners updated on all pertinent information relating to the scope of work assigned to them, including CRA-related information.

More formally, the FDIC's Division of Bank Supervision Training Center administers the Corporation's Consumer Protection School (CPS). Most CPS attendees are examiners with a minimum of two years' bank supervision experience:

Year	Total Number of Sessions	Length of Each Session	Total # of FDIC Students	Hours of Fair Lending Training Per Session			
				CRA	FH	ECOA	HMDA
1987	4	5 Days	62	2	2	3	1
1986	3	8 Days	39	3.5	2	5	2
1985	3	8 Days	38	3.5	2	5	2
1984	2	8 Days	34	3.5	2	5	2

In addition to the above training, a two-hour overview of consumer protection laws is included in our advanced training for assistant examiners. We have had approximately 10 sessions which included this overview, with approximately 25 assistant examiners (with approximately 2 years' experience) attending each session.

Also, the FDIC's Office of Consumer Affairs (OCA) annually conducts a 2 1/2-day compliance seminar for Regional Office (DBS) Consumer Affairs and Civil Rights Review Examiners and their assistants and/or field examiners. Many of these Review Examiners then provide similar training seminars to their respective regional examination staffs.

Item (b): CRA examination process: include an estimate of examination time by size of institution (with thresholds of \$25, \$100 and \$500 million); actual examination reports on institutions which have been the subject of consumer protests during 1985-87, and a description of supervisory procedures to correct identified violations.

Response: For compliance examinations undertaken during 1985, 1986, and 1987, the average examination time ranged generally from 8 hours to 40 hours for smaller banks and up to 200 hours for larger banks. Hours, however, may relate more to the type of bank (e.g., commercial vs. savings bank, wholesale vs. retail) than to asset size. For special CRA examinations conducted in response to a bank application or a protest during each of the 3 years cited, the number of hours expended was substantially higher. Also, there were several examinations where (because of type, size and/or location of the bank) only 1 or 2 hours were spent on CRA -- a factor which lowers considerably the

average time expended per compliance examination. The following Table shows the average number of hours spent per examination on CRA compliance matters.

Average Hours Expended Per Examination on CRA

<u>Average Hours Per Exam</u>	<u>\$25 million</u>	<u>\$100 million</u>	<u>\$500 million</u>
1985	6	7 1/4	23
1986	5 1/2	10 1/2	18
1987	5	8	23

As agreed to with your staff, in lieu of the actual compliance examination reports initially requested, we have enclosed examples of two redacted compliance reports. We believe these illustrate the compliance enforcement practices followed by the FDIC.

To correct a compliance problem, including any CRA-related instance, we bring the issue to the bank's attention both orally and in writing. We also issue a correction advisement and, if necessary, issue a memorandum of understanding. Other sanctions include denying (or approving upon condition of compliance with the CRA) a bank's application for depository facilities. In extreme cases, we also have the authority to initiate a formal enforcement proceeding against the bank.

Item (c): CRA procedures: include procedures governing notice, comment, extensions and hearings, and monitoring of settlement agreements; report on disposition of protests (1981-87); include case files on applications protested 1985-87.

Response: Enclosed is a copy of A Citizens Guide to CRA prepared by the Federal Financial Institutions Examination Council. This publication contains a general explanation of the FDIC's CRA procedures. Excerpts from our Manual for Compliance Examinations also are provided. FDIC staff are reviewing current procedures to determine whether revisions are needed.

The FDIC does not, as a general rule, monitor CRA-related settlement agreements unless they were associated with a CRA protest. However, agreements are reviewed as part of the regular examination process.

The disposition of the CRA protests filed from 1981-1984 is as follows:

	<u>Applicant Bank</u>	<u>Disposition</u>
1981	Hamilton Bank Lancaster, Pennsylvania	Application Approved
	State Bank of Raleigh Raleigh, North Carolina	Application Approved
1982	The Boston Five Cent Savings Bank Boston, Massachusetts	Application Approved
1983	No protests received	
1984	No protests received	

The enclosed CRA Protest Summary Table includes disposition information on the CRA protests filed with the FDIC from 1985 through 1987. As agreed to with your staff, this Table is a substitute for the case files initially requested in your letter.