



PRESS RELEASE

Federal Deposit Insurance Corporation

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FDIC's Winter 2007 *Supervisory Insights* Provides Tips on Bank Risk Management in a Challenging Environment

The FDIC's Winter 2007 issue of *Supervisory Insights*, released today, describes how banks can manage risks in a challenging banking environment.

"Strong risk management can help banks be a source of strength for our economy during difficult times, and a trusted source of financial services for consumers," said Sandra Thompson, Director of the FDIC's Division of Supervision and Consumer Protection. "This issue of *Supervisory Insights* provides useful information to promote these objectives."

As investors have tried to limit their exposure to subprime mortgages and other complex assets, banks' liquidity management has become even more crucial. "Liquidity: Decades of Change" outlines funding trends that have elevated some banks' liquidity risk profiles and highlights the importance of a forward-looking approach to liquidity planning.

Bank supervisors continue to closely monitor institutions with significant concentrations in commercial real estate. "Managing Commercial Real Estate Concentrations" provides context on some of the key risk-management issues and practices that the authors have observed at both large and small banks.

Data collected under the Home Mortgage Disclosure Act (HMDA) continue to reveal that certain minorities are more likely to receive high-cost mortgages than other racial or ethnic groups. "HMDA Data: Identifying and Analyzing Outliers" describes how the FDIC analyzes HMDA pricing disparities, and how clear and effective bank policies and procedures, strong oversight and controls can help banks combat potentially discriminatory lending activities.



Congress created the Federal Deposit Insurance Corporation in 1933 to restore public confidence in the nation's banking system. It promotes the safety and soundness of these institutions by identifying, monitoring and addressing risks to which they are exposed. The FDIC receives no federal tax dollars — insured financial institutions fund its operations.

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Other articles focus on authentication practices banks can use to combat identity theft and other financial crimes, how banks can assist regulators and law enforcement by filing timely and effective Suspicious Activity Reports (SARs), and the risks associated with community-bank leverage strategies.

Supervisory Insights provides a forum for discussing how bank regulation and policy are put into practice in the field, sharing best practices, and communicating about the emerging issues that bank supervisors face. The journal is available online at the FDIC's Web site

at <http://www.fdic.gov/regulations/examinations/supervisory/insights/index.html>.

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