PRESS RELEASE

Federal Deposit Insurance Corporation ● Each Depositor insured to at least $250,000

FOR IMMEDIATE RELEASE
June 28, 2010

Media Contact:
David Barr (202-898-6992)

FDIC's Summer *Supervisory Insights* Focuses on Loss-Sharing Agreements in Resolving Failed Banks

Even as indicators suggest the economic recovery is taking hold and banking industry earnings may be resuming an upward trend, bankers and regulators continue to deal with the workload generated by the financial crisis. As described in the Summer 2010 issue of ***Supervisory Insights***, released today, the FDIC is making greater use of loss-sharing agreements to deal with bank failures.

"The FDIC's use of loss-sharing agreements allows us to sell failed bank assets when an institution fails and potentially recover prior asset losses when market conditions improve," said Sandra L. Thompson, Director, Division of Supervision and Consumer Protection. "These agreements affect not only the resolution of failing banks, but also the examination process for acquiring banks."

"FDIC Loss-Sharing Agreements: A Primer" provides an overview of the loss-sharing process, addresses the regulatory treatment of assets subject to these agreements, and discusses the accounting rules and capital implications for the acquisition of failed bank assets.

The financial crisis also has highlighted the need for greater transparency and strengthened consumer protections in the financial system. The "From the Examiner's Desk" feature explains how provisions of the Credit Card Accountability Responsibility and Disclosure Act of 2009 and amendments to Regulation Z - including new disclosure requirements and billing and payment practice restrictions - will affect bank product offerings and operations, and offers guidance on how examiners can assess bank compliance with these changes.

The issue also provides an overview of recently released regulations and supervisory guidance.

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 on the FDIC's Web site at http://www.fdic.gov/regulations/examinations/supervisory/insights/index.html. Suggestions for future topics and requests for permission to reprint articles should be e-mailed to supervisoryjournal@fdic.gov. Requests for print copies should be e-mailed to publicinfo@fdic.gov.