PRESS RELEASE

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

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FDIC Publication Focuses on Community Banks and the Supervisory Process

FOR IMMEDIATE RELEASE

"The Risk Management Examination and Your Community Bank," which appears in the Summer 2012 issue of *Supervisory Insights* released today, emphasizes the importance of open communication between community bankers and their regulators. As part of a series of initiatives to ensure community bankers understand the FDIC's supervisory approach and explore the challenges and opportunities facing this sector of the banking industry, the article provides an overview of the safety-and-soundness examination process and suggests ways to enhance communication between bankers and supervisors.

"The FDIC recognizes the importance and value of developing strong, cooperative relationships with the institutions we supervise," said Sandra L. Thompson, Director, Division of Risk Management Supervision. "Providing information bankers can use to navigate the examination process will help ensure community banks maximize the benefits of their interactions with regulators."

Also in this issue, "Stress Testing Credit Risk at Community Banks" provides an overview of the credit-related stress-testing process, discusses its usefulness in managing risk, and provides simple examples of how community banks can conduct stress testing.

"Results from the FDIC's Credit and Consumer Products/Services Survey: Focus on Lending Trends" shares recent Survey results, including trends in underwriting, factors influencing banks' ability and willingness to lend, use of loan workouts, and loan growth patterns across the country.

This issue of *Supervisory Insights* also provides a summary of the accounting for troubled debt restructurings, including a discussion of regulatory reporting issues.

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.