



# PRESS RELEASE

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## FDIC Releases Four Technical Assistance Videos

### FOR IMMEDIATE RELEASE

The Federal Deposit Insurance Corporation (FDIC) today announced the release of four new videos in its third installment of technical assistance videos to provide useful information to bank directors, officers, and employees on regulatory issues and proposed regulatory changes. These videos pertain to municipal securities, the allowance for loan and lease losses, troubled debt restructuring, and fair lending.

The evaluation of municipal securities video addresses supervisory expectations, investment policies, and basic and expanded pre-purchase analysis and on-going monitoring of municipal securities. This video is intended for community bank management, particularly those involved in the supervision of the securities portfolio, including members of investment and asset/liability management committees.

The video on the allowance for loan and lease losses or ALLL provides an overview of applicable interagency policy statements, discusses pertinent accounting standards, reviews measuring impairment and estimating credit losses, and illustrates an effective loss migration analysis. This video is intended to assist community bank chief financial officers, loan committee members, loan officers, and other loan administration and accounting personnel in developing an adequate methodology to establish an appropriate ALLL.

The video on troubled debt restructuring or TDR discusses how to identify a TDR, the related accounting and regulatory treatment, and the multiple note concept. This video is intended for community bank loan committee members, loan officers, and other loan administration and accounting personnel.



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.

FDIC press releases and other information are available on the Internet at [www.fdic.gov](http://www.fdic.gov), by subscription electronically (go to [www.fdic.gov/about/subscriptions/index.html](http://www.fdic.gov/about/subscriptions/index.html)) and may also be obtained through the FDIC's Public Information Center (877-275-3342 or 703-562-2200). PR-127-2013

"The videos pertaining to the allowance for loan and lease losses and troubled debt restructuring walk through multiple examples to illustrate key concepts. Additional examples are provided outside of the video for further illustration. Each of the videos addresses the questions the FDIC most commonly receives from bankers. We hope all of these videos will be helpful," said Doreen R. Eberley, Director of the Division of Risk Management Supervision.

The video on managing fair lending risk summarizes the fair lending laws, discusses the concepts of disparate treatment and disparate impact, and reviews fair lending risk indicators, mitigation strategies, and the components of an effective compliance management system.

"We know that bankers take their fair lending obligations very seriously. Indeed, the vast majority of FDIC-supervised institutions manage their fair lending risks effectively. Nonetheless, fair lending compliance is one of the most frequently-raised topics by bankers. This video should provide tips and other useful information to further support their efforts to mitigate fair lending risks," said Mark Pearce, Director of the Division of Depositor and Consumer Protection.

The first installment of six videos was released in early April and was aimed at new bank directors to help prepare them for their important fiduciary role. The second installment of six videos was released on June 30 and was a virtual version of the FDIC's Directors' College Program. The initial video under this third installment of videos addressed interest rate risk and was released in August. Two additional videos under this third installment that addressed flood insurance and appraisals and evaluations were released earlier this month. The FDIC's technical assistance videos and additional information can be accessed at <http://www.fdic.gov/resourcecenter>.

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