



# PRESS RELEASE

Federal Deposit Insurance Corporation

March 21, 1995

## **FDIC ADOPTS FINAL GUIDELINES FOR APPEALS PROCESS**

### **FOR IMMEDIATE RELEASE**

The FDIC Board today approved final guidelines establishing an appeals process for material supervisory determinations made by agency examiners and regional supervisory officials. The Board proposed guidelines for an appeals process in December 1994.

Under the new guidelines, institutions have 60 days following receipt of written notice of a material supervisory determination to appeal that determination to a special Supervision Appeals Review Committee established in the Washington Office. This Committee, composed of the Director of Supervision, the Director of Compliance and Consumer Affairs, the General Counsel, and the Ombudsman, will consider and decide the appeal, and notify the institution of its decision within 60 days.

Institutions may appeal a variety of material supervisory determinations, including:

- Examination ratings, such as CAMEL, compliance, and CRA ratings;
- Determinations relating to the adequacy of loan loss reserve provisions;
- Disputed asset classifications exceeding 10 percent of total capital;
- Determinations relating to violations of law or regulation; and
- Other determinations that may have an effect on an institution's capital, earnings, operating flexibility, its capital category for prompt corrective action purposes, or otherwise affect the nature and level of supervisory oversight accorded the institution.



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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Certain determinations, however, may not be appealed under the new guidelines. These include decisions to take prompt corrective action pursuant to section 38 of the Federal Deposit Insurance Act, determinations for which other appeals procedures exist (such as determinations relating to deposit insurance assessment risk classifications), and decisions to initiate formal or informal enforcement actions.

The guidelines also contain provisions designed to protect institutions from possible retaliation as a result of filing an appeal. Any institution that believes it is the subject of retaliation may file a complaint with the FDIC Ombudsman for investigation. If confirmed, the examiner or other supervisory official responsible for the retaliation will be subject to appropriate disciplinary action.

Last Updated 07/14/1999

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