



**Federal Deposit Insurance
Corporation**

550 17th Street NW, Washington, DC 20429-9990

Financial Institution Letter

FIL-10-2016

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INTEREST RATE RISK VIDEOS UPDATED

Summary: As part of the FDIC's Community Banking Initiative, the FDIC is announcing the release of updated videos on interest rate risk. The new videos provide financial institution directors, management and staff with resources for better understanding interest rate risk and how it can be prudently managed.

Statement of Applicability to Institutions Under \$1 Billion in Total Assets: This Financial Institution Letter applies to all FDIC-supervised financial institutions.

Distribution:

FDIC-Supervised Institutions

Suggested Routing:

Chief Executive Officer / Chief Financial Officer

Related Topics:

[Joint Policy Statement on Interest Rate Risk \(FIL-52-96\)](#)

[Advisory on Interest Rate Risk Management \(PR-2-2010\) - PDF \(PDF Help\)](#)

[Interagency Advisory on Interest Rate Risk Management: Frequently Asked Questions \(FIL-2-2012\) - PDF \(PDF Help\)](#)

[Managing Sensitivity to Market Risk in a Challenging Interest Rate Environment \(FIL-46-2013\)](#)

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Note:

FDIC Financial Institution Letters (FILs) are available on the FDIC's Web site at www.fdic.gov/news/news/financial/2016/.

To receive FILs electronically, please visit <http://www.fdic.gov/about/subscriptions/fil.html>.

Paper copies may be obtained through the FDIC's Public Information Center, 3501 Fairfax Drive, E-1002, Arlington, VA 22226 (1-877-275-3342 or 703-562-2200).

Highlights:

- Financial institution balance sheets continue to reflect a heightened mismatch between asset and funding maturities that, coupled with tighter net interest margins, have left financial institutions more vulnerable to rising interest rates.
- The FDIC continues to emphasize the expectation that institutions manage interest rate risk in a prudent manner.
- The FDIC previously issued a video on interest rate risk tailored to directors as well as a series of more technical videos designed for management and staff involved in interest rate risk management.
- To reflect recent industry data and to expand on relevant topics, the FDIC has released updated videos.
- The videos address industry trends, board and management responsibilities, types of interest rate risk, different risk measurement systems, key modeling assumptions, internal controls, and independent review.
- The video for directors can be accessed at <https://fdic.gov/regulations/resources/director/virtual/irr.html>, and the series of videos for bank management and staff involved in interest rate risk management can be accessed at <https://fdic.gov/regulations/resources/director/technical/irr.html>.
- Alternatively, FDIC-insured institutions may download the videos through FDICconnect by contacting their FDICconnect coordinator.