



**Federal Deposit Insurance Corporation**

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**Financial Institution Letter**

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**SUPERVISORY INSIGHTS JOURNAL  
Summer 2013 Issue Now Available**

**Summary:** The Summer 2013 issue of *Supervisory Insights* features articles of critical interest to examiners, bankers, and supervisors. These articles include an overview of the new creditworthiness standards for investment securities with an emphasis on how to conduct credit risk due diligence, the heightened importance of bank information technology examinations, and the importance of ensuring compliance with consumer protection rules and regulations during the planning process for mergers and acquisitions. The publication is available at <http://www.fdic.gov/regulations/examinations/supervisory/insights/index.html>

**Statement of Applicability to Institutions Under \$1 Billion in Total Assets:** The information contained in this issue of *Supervisory Insights* may be of general interest to FDIC-supervised financial institutions, but it is not supervisory guidance.

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FDIC-Supervised Institutions

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**Related Topics:**

Due diligence for purchases of investment securities  
Information technology examinations  
Mergers and acquisitions  
Consumer protection rules and regulations

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**Note:**

FDIC Financial Institution Letters (FILs) may be accessed from the FDIC's Web site at [www.fdic.gov/news/news/financial/2013/index.html](http://www.fdic.gov/news/news/financial/2013/index.html).

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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:**

- "Credit Risk Assessment of Investment Portfolios" looks at how new creditworthiness standards for investment securities reinforce the importance of proper due diligence by financial institutions. This article discusses supervisory expectations for credit risk due diligence of the investment portfolio, provides examples of how to conduct due diligence, and lists questions examiners may consider when assessing an institution's credit management practices.
- "The Evolution of Bank Information Technology Examinations" describes how information technology (IT) examinations serve as a critical tool for helping bankers mitigate IT risk.<sup>2</sup>
- "Mergers and Acquisitions: A Compliance Perspective" highlights issues related to compliance with consumer protection rules and regulations that are a critical aspect of planning for financial institution mergers and acquisitions. This article identifies issues for bankers to consider when conducting compliance-focused due diligence.
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