



Federal Deposit Insurance

Corporation

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

Financial Institution Letter

FIL-22-2012

June 7, 2012

SUPERVISORY INSIGHTS JOURNAL

Summer 2012 Issue Now Available

Summary: The Summer 2012 issue of *Supervisory Insights* features articles of critical interest to examiners, bankers, and supervisors. These articles include a discussion of the importance of open communication between regulators and community bankers to an effective supervisory process, an overview of the credit-related stress-testing process for community banks, a summary of recent results from the FDIC's *Credit and Consumer Products/Services Survey*; and a summary of the accounting for troubled debt restructurings. 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-insured financial institutions, but it is not supervisory guidance.

Distribution:
FDIC-Supervised Institutions

Suggested Routing:
Chief Executive Officer
Compliance Risk Officer

Related Topics:
Community Banking
Risk Management Examination
Stress Testing
Credit and Consumer Products/Services Survey
Troubled Debt Restructurings

Contact:
Kim E. Lowry, Managing Editor
(klowry@fdic.gov or 202-898-6635)

Note:
FDIC Financial Institution Letters (FILs) may be accessed from the FDIC's Web site at www.fdic.gov/news/news/financial/2012/index.html.

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:

- "The Risk Management Examination and Your Community Bank" emphasizes the importance of open communication between regulators and community bankers to an effective supervisory process, provides an overview of the examination and application processes, and suggests ways to enhance communication between bankers and supervisors and help banks better navigate their examinations.
- "Stress Testing Credit Risk at Community Banks" describes 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.
- "Accounting for Troubled Debt Restructurings" provides a summary of the accounting for troubled debt restructurings, including a discussion of regulatory reporting issues.
- Suggestions for article 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.