



Federal Deposit Insurance Corporation
550 17th Street NW, Washington, DC 20429-9990

Financial Institution Letter

FIL-71-2011

November 23, 2011

Seminar on Commercial Real Estate Loan Workouts and Related Accounting Issues

Summary: The FDIC will host a free telephone seminar to discuss prudent commercial real estate (CRE) loan workouts and related accounting issues, including the treatment for troubled debt restructurings (TDRs). The seminar will be held from 1:00 to 2:30 p.m. EST on December 15, 2011. Employees of all FDIC-supervised institutions are invited to participate.

Statement of Applicability to Institutions with Total Assets under \$1 Billion: This Financial Institution Letter is available to all FDIC-supervised financial institutions.

Distribution:

FDIC-Supervised Banks
(Commercial and Savings)
FDIC-Supervised Savings Associations

Suggested Routing:

Chief Executive Officer
Chief Lending Officer
Chief Financial Officer
Chief Accounting Officer
Call Report Preparer

Related Topics:

Policy Statement on Prudent CRE
Workouts (FIL-61-2009)
Managing CRE Concentrations in a
Challenging Environment (FIL-22-2008)
Interagency Statement on Meeting the Needs
of Creditworthy Borrowers (FIL-128-2008)
Allowance for Loan and Lease Losses: Revised
Policy Statement and Frequently Asked Questions
(FIL-105-2006)
Consolidated Reports of Condition and Income

Attachment:

Transcript: Seminar on Commercial Real Estate Loan
Workouts and Related Accounting Issues

Contact:

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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/2011/index.html.

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

Highlights:

- The FDIC recognizes that prudent CRE workouts are often in the best interest of financial institutions and creditworthy CRE borrowers.
- Financial institutions and borrowers face significant challenges when dealing with diminished operating cash flows, depreciated collateral values, or prolonged sale and rental absorption periods.
- Financial institutions engaging in workout activities have raised questions regarding CRE workouts and the related accounting issues, including the treatment for TDRs.
- The seminar will consist of a short discussion regarding the CRE-related issues raised by financial institutions, followed by a question-and-answer period.
- Participants are encouraged to submit questions in advance to RAC@FDIC.gov with CRE Workouts or CRE Accounting in the subject line.
- Financial institution officers and employees wishing to participate in this free telephone seminar should dial 888-946-8383 and enter pass code 2915837# to join the presentation 30 minutes before the 1:00 p.m. EST start time.

Paper copies of FDIC financial institution letters 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).