



Special Alert

FIL-8-99
January 28, 1999

TO: CHIEF EXECUTIVE OFFICER
SUBJECT: *"Safe and Sound Bank and Thrift Rating System" on Bank Rate Monitor's Internet Site*

The Federal Deposit Insurance Corporation (FDIC) would like to alleviate potential confusion over the Bank Rate Monitor's "Safe and Sound Bank and Thrift Rating System" accessible on its Internet site.

The Bank Rate Monitor's Web page indicates that the "system" assesses the financial condition of banks and thrifts based upon publicly available Call Report data. It specifies that the ratings "are based on tests of the institutions' Capitalization, Asset Quality, Earnings, and Liquidity (CAEL)." The acronym "CAEL" is used throughout the Web page.

CAEL is an official FDIC acronym and is closely associated with supervisory ratings. The FDIC is concerned that readers of the Bank Rate Monitor's Internet site may mistakenly believe that the Bank Rate Monitor's CAEL system reflects actual FDIC CAEL ratings.

Bankers and other members of the public should be aware that depository institution ratings in the "Safe and Sound Bank and Thrift Rating System" on the Bank Rate Monitor's Internet site are not based on, and should not be confused with, the FDIC's CAEL system. The FDIC does not endorse the ratings of the Bank Rate Monitor, nor does the FDIC necessarily agree with the ratings assigned by the Bank Rate Monitor.

For further information, please call Christopher Newbury, Examination Specialist in the Division of Supervision, on (202) 898-3504 or Marc Goldstrom, Counsel in the Legal Division, on (202) 898-8807.

James L. Sexton
Director

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NOTE: Paper copies of FDIC financial institution letters may be obtained through the FDIC's Public Information Center, 801 17th Street NW, Room 100, Washington, DC 20434 (800-276-6003 or (703) 562-2200).