



REDUCING BURDEN ON BANKS AND THE PUBLIC

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TO: CHIEF EXECUTIVE OFFICER
SUBJECT: *FDIC Seeks Ideas on Reducing Burden on Banks and the Public, While Improving the FDIC's Efficiency*

One of my top priorities as Chairman of the Federal Deposit Insurance Corporation is to ensure that the FDIC is as efficient as it can be in its roles as supervisor and insurer of financial institutions. I am particularly interested in ways the FDIC can reduce burden on financial institutions and the public. To that end, we have been busy identifying ways to focus our time on important areas of risk.

For example, we have already streamlined the examination process for small, well-run banks and expect this to reduce examination hours by 20 percent. We are also revising the compliance examination process to strengthen the focus on compliance management and, likewise, expect reduced examination hours at well-managed institutions. We have established applications subject-matter experts to serve as centralized resources for bankers in order to promote greater consistency and more timely processing of applications. And we are putting greater emphasis on outreach between examinations to discuss issues such as new business activities, local economic conditions, and changes in management or key personnel, as well as to solicit concerns about our supervisory program. The result should produce more focused and efficient examinations.

While we have identified a number of things we can do to improve efficiency and reduce regulatory burden, we are looking for additional ways to do so. I have established a special group at the FDIC to consider ideas on how to reduce burden on banks and the public and to make the FDIC more efficient. And, as a former banker, I know that the industry has many excellent suggestions. For that reason, I invite you to submit your ideas on:

- Deposit insurance coverage;
- The bank examination process - safety and soundness and consumer compliance;
- The amount or type of information you submit to the FDIC (e.g., Call Reports, CRA loan data);
- The amount or type of information you receive from the FDIC (e.g., Financial Institution Letters, economic data);
- The bank closing process;
- Regulations that the FDIC enforces; and
- Any other topic you think the FDIC should address.

If you would like to submit a comment on one of these issues or on any other issue you think we need to address, you can do so one of three ways. First, we have established a special link on the FDIC Homepage (<http://www.fdic.gov/index.html>) for you to provide input and feedback regarding methods to reduce burden. Second, you can send an e-mail to burdenreduction@fdic.gov. Finally, you can send a letter to us at the following address: Federal Deposit Insurance Corporation, 3501 N. Fairfax Drive, Arlington, VA 22226, Attention: Office of the Ombudsman.

If you decide to submit a suggestion, we ask that you please be specific in describing the problem (e.g., identify the regulation or procedure), why it is a problem, how it affects you and what you suggest as a solution.

Thank you for your interest in this important effort.

Donald E. Powell
Chairman

Distribution: FDIC-Insured Institutions

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