



# Office of the Ombudsman



REPORT ON ACTIVITIES  
**2019 & 2020**

## ABOUT THE COVER PHOTO

# FDIC History



### THE GREAT SEAL OF THE UNITED STATES

LOBBY OF THE FDIC HEADQUARTERS BUILDING  
FEDERAL DEPOSIT INSURANCE CORPORATION  
550 17th Street, N.W., Washington, D.C.

Since its formal dedication on June 16, 1963, the Great Seal of the United States has been prominently displayed for any visitor to the Federal Deposit Insurance Corporation building. Affixed to the lobby wall opposite the bronze doors, the Corporation's Great Seal is a handsome example of a specialized form of art. Weighing 4,000 pounds and standing 12 feet tall, this Great Seal is believed to be the largest Great Seal ever cast.

Artisans at G.L. Giannetti Studios were commissioned to create this artwork as they had been revered for handling such assignments for many years in the local Capital Region area. The head of the firm, Gregory L. "George" Giannetti, a master craftsman of ornamental and architectural sculpture, along with his son, Robert Giannetti, worked for over six

months to complete the sculpture, beginning with the making of a three-foot model. The plaster mold was so large that Robert had to disassemble it and drive the pieces in the back of his pick-up truck in order for the mold to be cast in bronze by Bedi and Rossi, an art foundry in Brooklyn, New York.

The symbolism of the Great Seal consists of a large bald eagle, holding an olive branch in his right talon, and arrows in his left talon. He faces the right, and bears on his breast the shield of the United States. He holds in his beak a streamer on which is the national motto "E. Pluribus Unum" (Out of Many, One). Above his head is the Constellation, including 13 stars. The number 13, representing the 13 original states, repeats in the arrows, the olive branch, leaves, berries, and the stripes.

*A special thank you to the FDIC Library team including Richard Huffine, Alicia Amiel, Renee Mccullough, and Stan Smith, as well as to the FDIC Historian, Lee Davison, for providing extensive historical research and photographs in support of this publication.*

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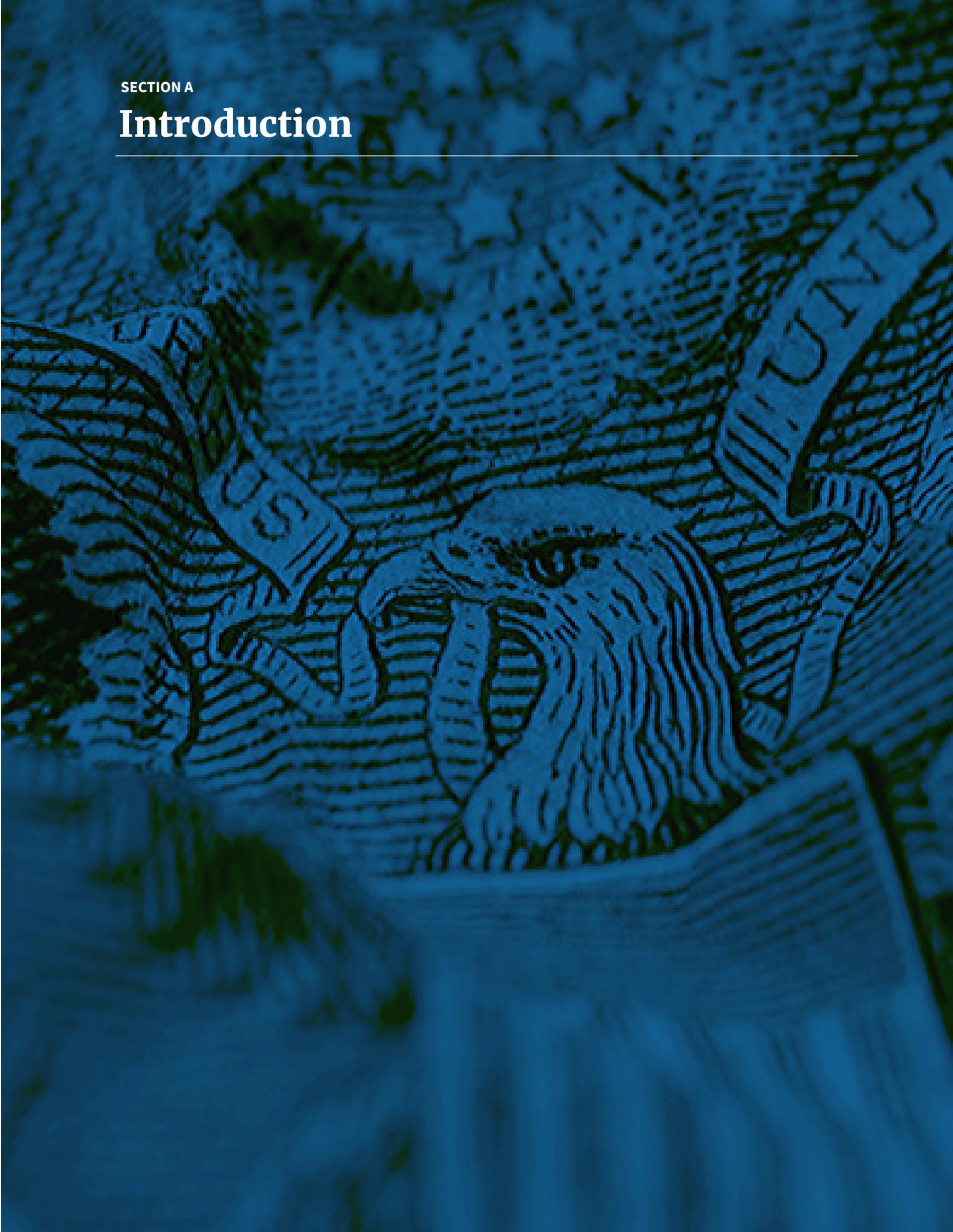
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SECTION A

# Introduction

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## INTRODUCTION

# Message from the Director

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**I**n 2019, the FDIC's Office of the Ombudsman (the Office) released the first public report on its activities in almost a decade. The report covered a range of information and metrics on our case work for 2018, including, areas of assistance provided to the banking industry, recommendations provided to the examination Divisions, and anticipated

areas of focus for the Office in the upcoming year. The report also included information on our Regional Ombudsmen, and their contact information.

On behalf of Chairman Jelena McWilliams and the entire FDIC Board of Directors, I am pleased to present our latest Report, which highlights activities of the Office for calendar years 2019 and 2020. Based on feedback we received for the previous report, we have endeavored to provide more substantive detail on specific assistance provided to the industry, while still including important benchmarks regarding outreach activities.

This report chronicles two busy years for the Office, including participation in a number of meetings and calls with bankers around the country on issues pertaining to disagreements with specific bank examination findings, concerns regarding the professionalism or courtesy of FDIC staff, and the identification of relevant information and points of contact for pending applications. One of the major initiatives undertaken by the Office in 2019 was the

assumption of oversight and responsibility for the agency's Post-Examination Survey process. This action has afforded bankers with an added degree of confidence in providing more candid commentary and recommendations regarding the examination processes. As part of the Chairman's Trust Through Transparency initiative, the Office also hosted a series of Listening Sessions (both in-person and virtual), to solicit comments and observations from the industry on the FDIC's current appeals processes.

As this report is being published, a significant number of public and private enterprises around the country, including banks and savings associations, are operating pursuant to certain restrictions on their business activities. The COVID-19 Pandemic (the Pandemic) has materially impacted virtually all facets of the personal and professional lives of each American citizen, including our FDIC family. The Pandemic has also curtailed on-site outreach activities of this Office, which have proven in the past to be integral in building industry trust and confidence for contacting and discussing sensitive matters with Ombudsman staff. However, through the use of technology and virtual platforms, we have continued with our mission of assisting the industry in resolving disagreements with the agency, as well as providing responses to regulatory related questions.

Your feedback on the report is welcome, and you may contact me directly via [m Lowe@fdic.gov](mailto:m Lowe@fdic.gov), or may use other communication channels provided on the final pages of this report.

Thank you, and I hope you enjoy the report!

**M. ANTHONY LOWE**

Director, Office of the Ombudsman, FDIC

OFFICE OF THE OMBUDSMAN GENERAL CONTACT INFO: ☎ (877) 275-3342 ✉ [ombudsman@fdic.gov](mailto:ombudsman@fdic.gov)

# Our History



**I**n 1993, the FDIC announced that an Ombudsman would be located in each FDIC Division of Liquidation Service Center to “facilitate action on complaints and questions from borrowers, lenders, and public officials” in connection with the FDIC’s liquidation activities<sup>1</sup>. At that time, oversight and policy direction for these regional and field office Ombudsmen was provided by the Washington Office of Congressional Affairs and Public Relations, which was part of the former Division of Depositor and Asset Services (DAS).

In advance of the Riegle Act becoming law, the FDIC Board of Directors, by Resolution (057628) adopted August 30, 1994, formally established the Office of the Ombudsman to replace the former FDIC Ombudsman function and expanded the scope of its activities to include the Corporation’s resolution, receivership, and asset disposition activities.

## THE RIEGLE ACT OF 1994

The Riegle Community Development and Regulatory Improvement Act of 1994 (Riegle Act) became law on September 29, 1994. Title III, Section 309(d) of the Riegle Act required all Federal banking agencies to establish an Ombudsman to:

- act as a liaison between the agency and any affected person with respect to any problem such party may have in dealing with the agency resulting from the regulatory activities of the agency; and
- ensure that safeguards exist to encourage complainants to come forward and to preserve confidentiality.

<sup>1</sup>The Resolution Trust Corporation (RTC) had a similar function that handled problems concerning all RTC activities. In this capacity, the Resolution Trust Corporation Completion Act required that a client responsiveness unit responsible to the RTC’s ombudsman exist at every RTC regional office.

## INTRODUCTION

# Our Stakeholders

The Office of the Ombudsman's stakeholders (individuals, groups, or organizations) are those who are impacted by the actions of the FDIC or have an interest in the FDIC successfully fulfilling its mission. External stakeholders are any person, group or organization having an issue with

the FDIC resulting from a regulatory, resolution, receivership, or asset disposition activity, or with anyone at the FDIC involved in carrying out such activities. Internal stakeholders primarily consist of Office of the Ombudsman staff, other FDIC divisions and offices, and the FDIC Chairman.



THE OFFICE OF THE OMBUDSMAN SERVES BOTH EXTERNAL AND INTERNAL STAKEHOLDERS

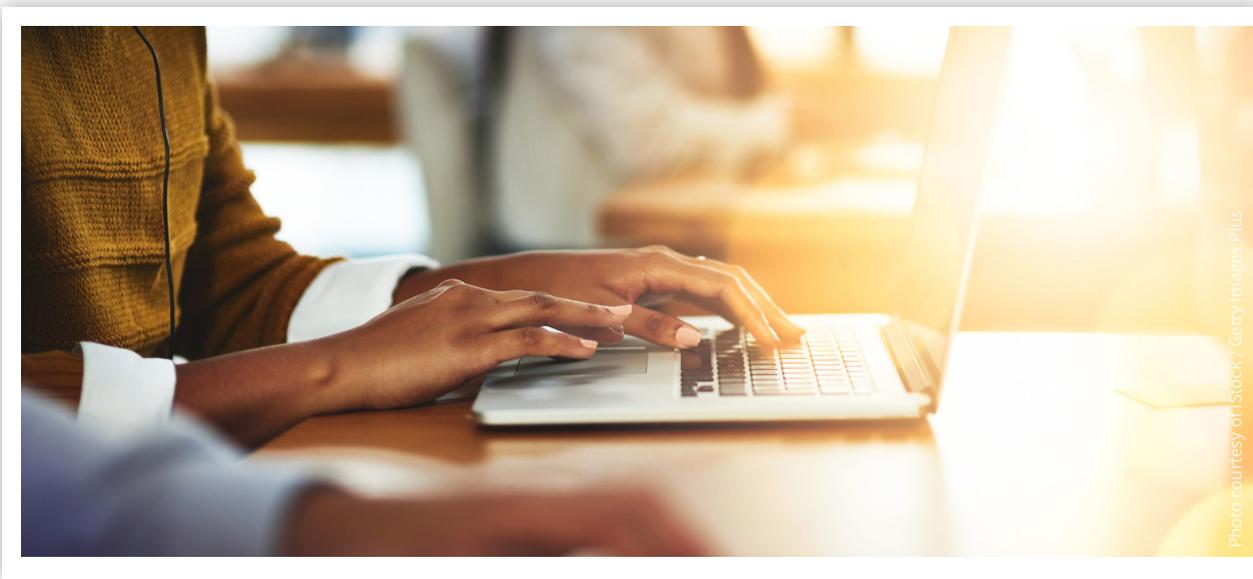
## FAIRNESS FOR ALL STAKEHOLDERS

The Office of the Ombudsman strives to promote fairness by facilitating communication, increasing transparency, and raising awareness of issues and concerns, all while preserving confidentiality. We accomplish this through the activities listed below.

### WE PROMOTE FAIRNESS BY:

- serving as a resource for information concerning FDIC processes prior to conflicts entering a formal channel, including appeals of material supervisory determinations or deposit insurance assessments;
- advocating for fair and impartial processes at the FDIC;
- facilitating efficient and effective communication between the FDIC and all of its stakeholders;
- providing an FDIC perspective for external stakeholders, and conversely, providing the viewpoint of bankers to internal stakeholders and decision makers;
- reporting to the FDIC Chairman's Office on feedback from stakeholders, particularly in regards to systemic or actionable issues;
- interacting with other FDIC divisions and offices to address issues raised by stakeholders and encouraging improved policies or practices;
- serving as the FDIC's Freedom of Information Act (FOIA) Public Liaison to resolve issues; and
- participating in bank closings with the FDIC's Division of Resolutions and Receiverships (DRR) by serving as public confidence liaisons for those affected by failed bank activities, and serving as an on-site media contact in a back-up role to the Office of Communications.

# Our Standards of Practices



## FREEDOM FROM ANY RETALIATION

**T**he FDIC is committed to fair regulatory practices and actions, supports the right of the regulated banking community to raise concerns without the fear of retaliation, and will investigate any allegations of retaliation and ensure appropriate corrective action is taken. Financial institutions regulated by the FDIC may direct comments regarding possible retaliation to their appropriate Regional Director, or direct comments confidentially to the Office of the Ombudsman.

**FDIC supports the right of the regulated banking community to raise concerns without the fear of retaliation.**

While the Office of the Ombudsman will investigate any allegation of retaliation, a complaint to the Office will not terminate or delay agency regulatory actions or administrative proceedings as part of the FDIC's ongoing responsibility to enforce Federal laws and regulations.

For a financial institution or institution affiliated party subject to a regulatory action by the FDIC, any obligation with respect to an enforcement or corrective action is not affected by the filing of a complaint regarding retaliation with this Office.

### THE OFFICE OF THE OMBUDSMAN CANNOT:

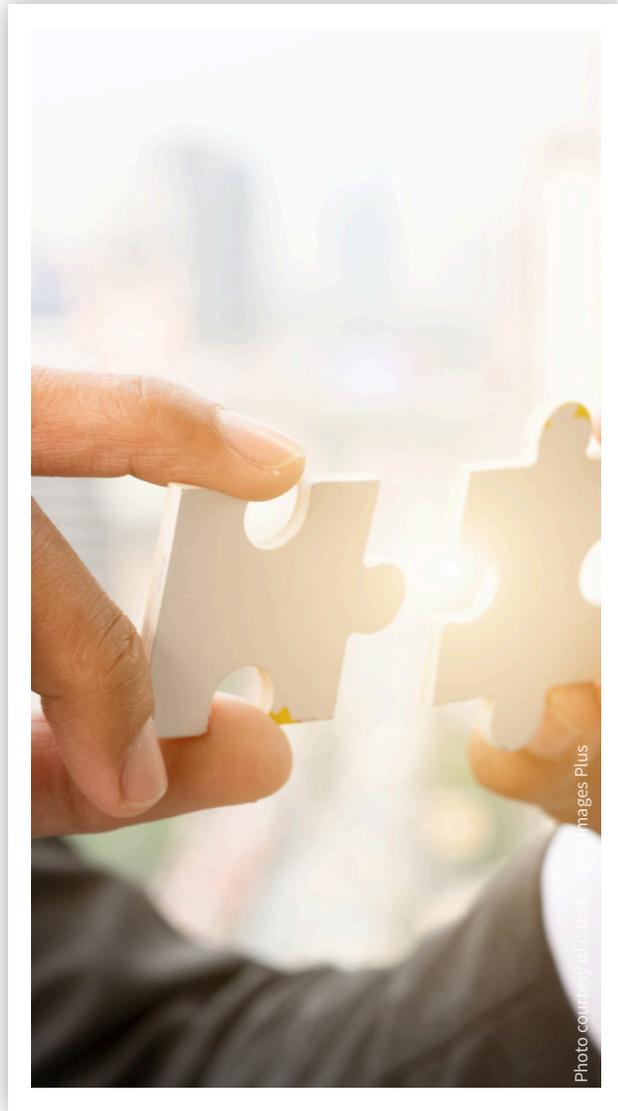
- impose, interfere with, or modify any statutes, regulations, or laws, including any related policies, practices, or procedures followed or enforced by the FDIC;
- make decisions or legal determinations, or serve as a formal office of legal notice;
- make binding decisions, or mandate policies for the FDIC;
- overturn any decisions of existing dispute resolution or appellate bodies;
- provide any financial, legal, or investment advice;
- serve in any role that compromises the impartiality of the Office; or
- intervene or participate in any formal processes.

## INTRODUCTION

# Our Core Values

The core values and standards of practice of the FDIC's Office of the Ombudsman align with all of the 2004 Standards for the Establishment and Operation of Ombudsman Offices of both the

American Bar Association, as well as the International Ombudsman Association. The following core values and standards of practice enable the FDIC's Office of the Ombudsman to function effectively:



## STANDARDS OF PRACTICE

### INDEPENDENCE

The Office of the Ombudsman is independent of the FDIC's supervisory process, including being free from control, limitation, or retaliation. The Office reports directly to the FDIC Chairman's Office.

### NEUTRALITY AND IMPARTIALITY

As an advocate for fair processes, the Office reviews facts, considers all sides, and promotes communication among concerned parties.

### CONFIDENTIALITY

The Office holds all communications with those seeking assistance in strict confidence and takes all reasonable steps to safeguard confidentiality. The Office does not share the identity of the stakeholders who contact us with others inside or outside the corporation, unless confidentiality is expressly waived by the individual or where there exists any of the following factors:

- imminent risk of serious harm to persons or property;
- allegations of fraud, waste, or abuse; or
- judicial process (e.g., subpoena, deposition, testimony).



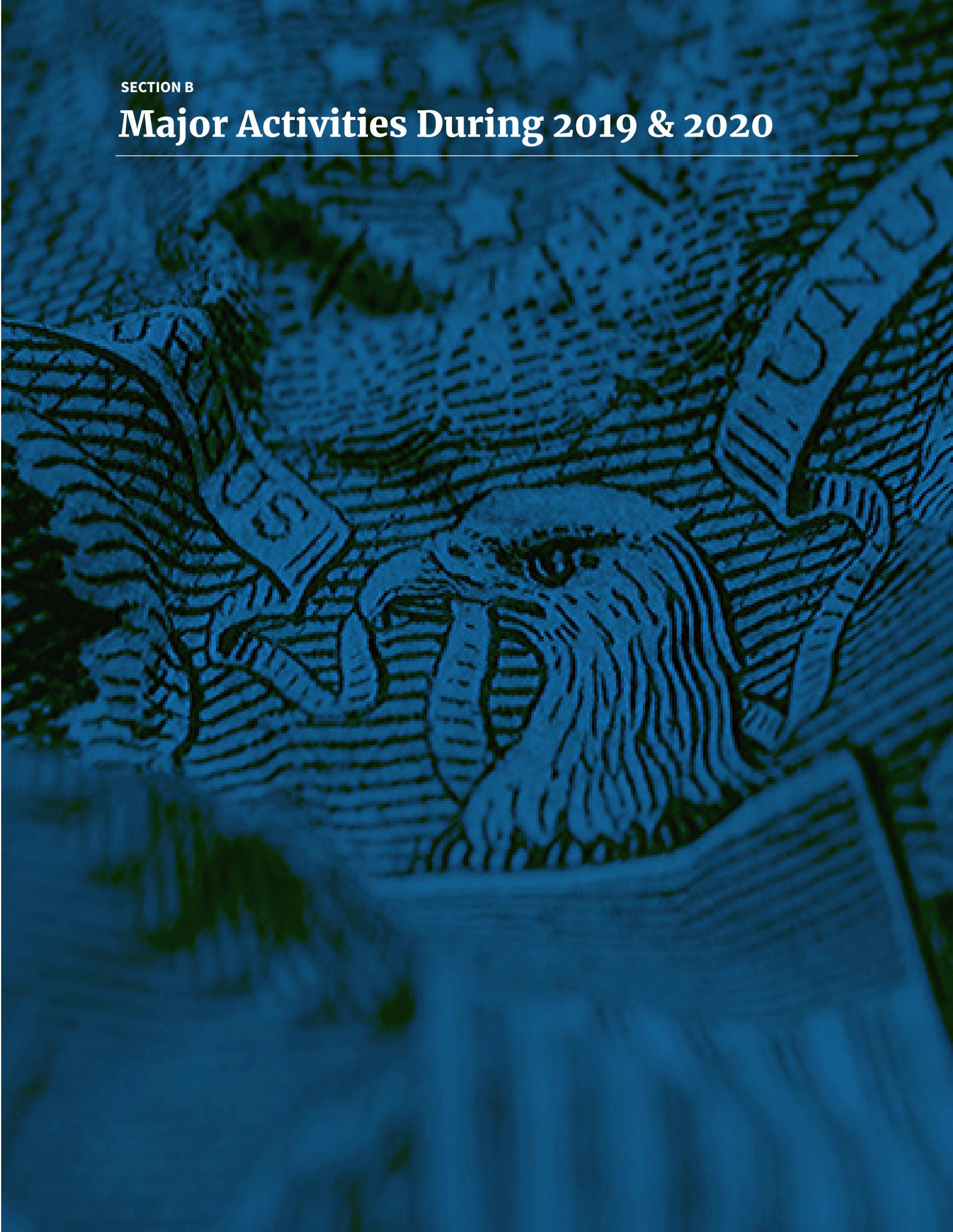
### LEARN MORE

Explore further information about the 2004 Standards for the Establishment and Operation of Ombudsman Offices of the International Ombudsman Association as well as the American Bar Association.

SECTION B

# Major Activities During 2019 & 2020

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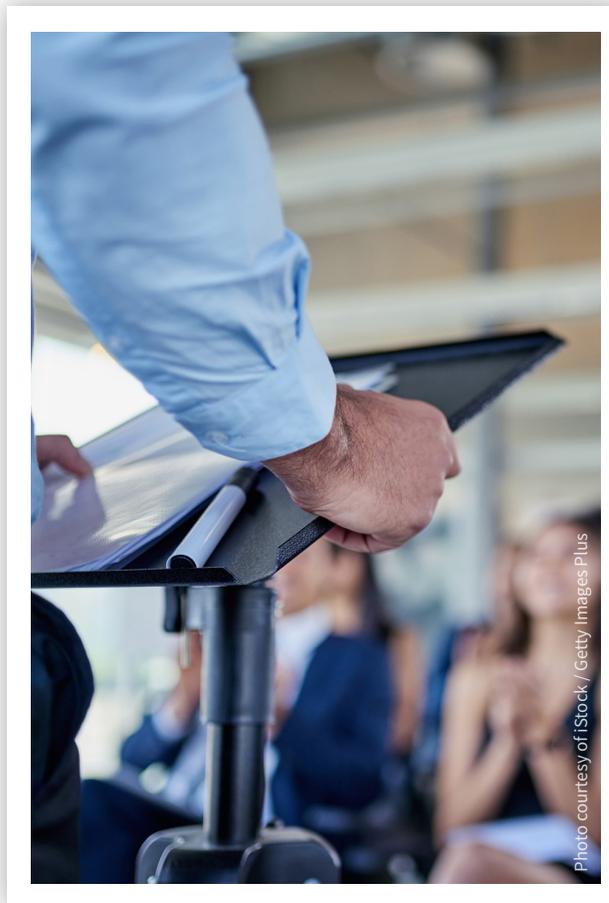


# Listening Sessions and Webinar

Consistent with the FDIC's Trust through Transparency initiative, this Office completed a nationwide series of eight in-person Listening Sessions, and one Webinar, to solicit comments, observations, and recommendations from the FDIC-supervised institutions and other interested parties on the FDIC's existing Appeals<sup>2</sup> processes. Participants included approximately 100 industry representatives for the in-person Listening Sessions, and 135 for the Webinar.

Representatives from the FDIC's Legal Division and the Office of Communications assisted in planning and hosting each of the events. The Listening Sessions and Webinar also invited recommendations from participants for enhancing publicly available information on agency operations.

To encourage candid discussions and input at each of the events, the participants were advised that the sessions would not be recorded, there would be no FDIC attendees from the examination Divisions, and their comments would be summarized without specific attribution to a particular person or bank.



## AREAS OF DISCUSSION:

The principal areas of discussion at the events included the following:

- potential barriers to disputing examination findings or filing an appeal of a material supervisory determination;
- opportunities to improve the composition and functions of the Supervision Appeals Review Committee (SARC);
- recommendations relative to timeframes for pursuing formal reviews at the Division Director and SARC levels;
- suggestions on the role of the Ombudsman in resolving disagreements between banks and examination personnel;
- opportunities for FDIC to advance its Trust through Transparency initiative – build trust and confidence with financial institutions through openness and accountability; and
- other observations, recommendations, or concerns regarding the FDIC's processes for resolving disagreements.

<sup>2</sup>Section 309(a) of the Riegle Community Development and Regulatory Improvement Act of 1994 required the Federal Deposit Insurance Corporation (FDIC), as well as the other Federal banking agencies and the National Credit Union Administration Board, to establish an independent intra-agency appellate process to review material supervisory determinations. The statute requires the FDIC to ensure that appeals of material supervisory determinations by insured depository institutions are heard and decided expeditiously, and that appropriate safeguards exist for protecting appellants from retaliation by agency examiners.

# Listening Sessions' Key Findings

## KEY FINDING: FEAR OF RETALIATION

When polled, a large portion of participants at the in-person Listening Sessions commented that a fear of retaliation often inhibits decisions by bankers against filing appeals of material supervisory determinations.

### RECOMMENDATIONS

Participants offered the following recommendations to address retaliation concerns:

- reduce or eliminate consecutive Examiner-In-Charge assignments;
- provide additional transparency to the industry regarding retaliation;
- facilitate an out-of-territory team of examiners to conduct the examination immediately subsequent to the filing of an appeal; and
- augment membership of the SARC with an independent party.

### OTHER FINDINGS

Participants also observed that SARC decisions are not sufficiently detailed, on the FDIC's public website, in a manner that is beneficial for other banks to gain insight or "lessons learned" from previously resolved disputes. The participants' comments, observations, and recommendations on the areas of focus from the events were aggregated and shared with senior executives at the FDIC, including the Chairman's office.



#### EVENT MATERIALS

Materials utilized during the Listening Session events are available digitally for download.

## KEY FINDING: AMENDMENT PROPOSAL

### AMENDING THE GUIDELINES FOR APPEALS OF MATERIAL SUPERVISORY DETERMINATIONS<sup>3</sup>

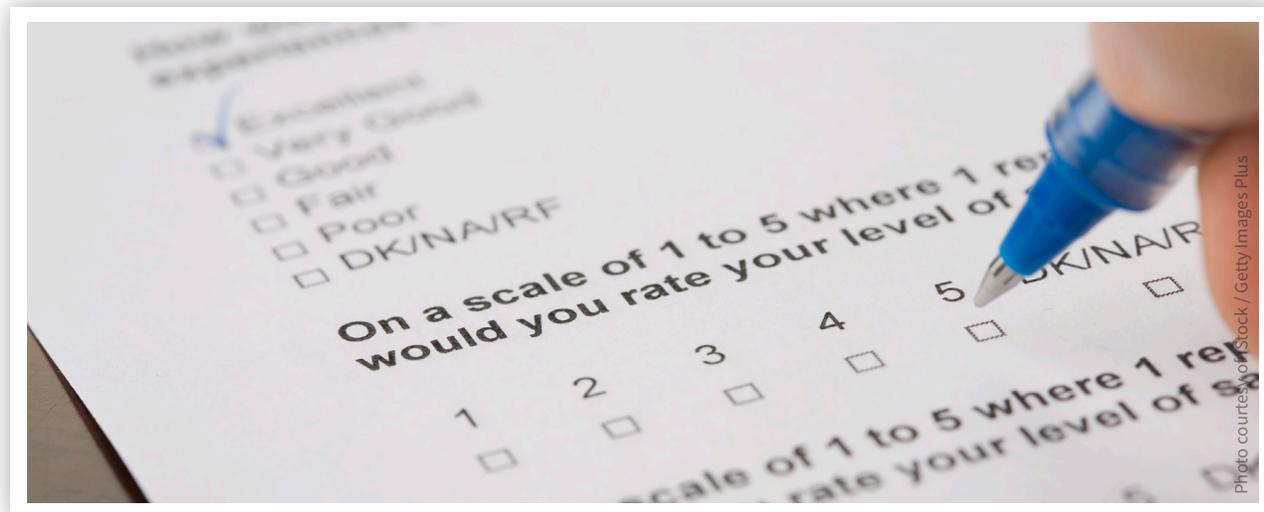
On August 21, 2020, The Board of Directors of the Federal Deposit Insurance Corporation (FDIC) approved a proposal to amend its Guidelines for Appeals of Material Supervisory Determinations. Changes to the supervisory appeals process were proposed, in part, based on the above Listening Sessions the FDIC's Ombudsman held with bankers and other interested parties in the fall of 2019, and the Office of the Ombudsman worked with the Legal Division and others at the FDIC on the proposal.

The most significant change in the proposal would be to replace the current Supervision Appeals Review Committee (SARC) with an independent, standalone Office of Supervisory Appeals (Office) within the FDIC.

The Office would have final authority to resolve appeals and would be independent within the FDIC organizational structure. The Office would be staffed by individuals with bank supervisory or examination experience. To further promote its independence, the FDIC would recruit externally to staff the Office. An institution unable to resolve a disagreement regarding a material supervisory determination with the examiner or the appropriate Regional Office or Division Director would be able to appeal that determination to the Office. The FDIC believes that the creation of the proposed Office would promote independence and help alleviate perceived conflicts of interest, among other important goals.

<sup>3</sup>On January 19, 2021, the FDIC's Board of Directors adopted revised Guidelines for Appeals of Material Supervisory Determinations. The revised guidelines are intended to enhance the independence of appeals decisions and to clarify the procedures and timeframes that apply to appeals when the FDIC is taking a formal enforcement action. The revised guidelines generally replace the existing Supervision Appeals Review Committee (SARC) with an independent, standalone office within the FDIC, known as the Office of Supervisory Appeals. The revised guidelines will take effect when that new office is fully operational; current guidelines will remain in effect until that time. FIL-04-2021

# Post-Examination Survey



## SOLICITING SURVEY RESPONSES

On October 1, 2019, the FDIC’s Office of the Ombudsman assumed responsibility for soliciting responses for Safety & Soundness, Compliance, and Community Reinvestment Act Post-Examination Surveys.

The Post-Examination Survey feedback is used to improve the quality and efficiency of examination procedures, maintain examiner standards of professionalism, and ensure that examinations remain a beneficial tool for achieving safety and soundness standards and regulatory compliance.

In addition to assuming responsibility for soliciting responses, the Office of the Ombudsman:

- 1 sends banks notifications that the Post-Examination Survey will accompany the Report of Examination,
- 2 provides reminders to encourage participation in the Post-Examination Survey, and
- 3 serves as the point of contact for the Post-Examination Survey and any follow-up requests.

The changes to the Post-Examination Survey process were made in order to enhance confidentiality and empower bankers to provide candid responses to Post-Examination Survey questions.

### LEARN MORE ABOUT THE POST-EXAMINATION SURVEY



#### SUMMARY AND SURVEY QUESTIONS

Explore further information about the Post-Examination Survey including downloading<sup>4</sup> the relevant Financial Institution Letters (FIL), a copy of the survey questions related to each survey, and summary and background of any changes to the Survey process.

<sup>4</sup>The full hyperlink address is <https://www.fdic.gov/news/financial-institution-letters/2019/fil19050.html>

# Serving as a Pandemic Resource



Photo courtesy of iStock / Getty Images Plus

**T**his Office’s pivot and responsiveness to the needs of internal and external stakeholders, as well as our own staff, was of paramount importance in 2020. Working under mandatory telework constraints and safeguards, we successfully responded to an increased volume of Pandemic-related inquiries and requests. Starting on March 16, 2020, all outreach with the industry was conducted remotely by phone and video calls, as well as through virtual attendance at Trade Association events and conferences. While the Office’s outreach program converted to an entirely virtual process, it remained robust and effective in facilitating assistance to stakeholders, while gathering critical feedback for FDIC leadership. The Office provided timely information to the public, furnished the agency with feedback on regulatory communications and guidance, and served as a valuable contact point for banks dealing with a dramatically changed operating environment.

The Pandemic increased the urgency for the Office to be responsive to our stakeholders. During 2020, we experienced a 57% increase in calls from the general public as they dealt with issues such as stimulus checks, unemployment benefits, and related scams.

**232** NUMBER OF DIRECT PANDEMIC-RELATED OUTREACH COMMENTS DURING 2020

**57%** PERCENTAGE INCREASE OF CALLS FROM THE PUBLIC

**82%** PERCENTAGE INCREASE OF INDUSTRY CASES

The volume of Pandemic-related requests, including regulatory relief and exam scheduling, increased the overall industry cases total by 82%. The Office supported bankers to rapidly implement Pandemic response programs that significantly impacted customer access. Additionally, Industry Outreach conducted on a regular basis by the Regional Ombudsmen included 232 direct Pandemic-related comments, with Pandemic-themed comments running through a majority of other feedback topics. It was an unusual year in many respects and the Office proudly played its part in the FDIC remaining a source of strength in a difficult and challenging time.

# Goals for 2021 and Beyond

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## BROADEN INDUSTRY AWARENESS

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### OUTREACH

Continue efforts to broaden industry awareness of the Office and its activities through direct contacts with financial institutions, including Minority Depository Institutions and Affinity Groups, De Novo banks, industry trade associations, and state banking authorities; also, obtain feedback on FDIC supervisory programs and processes, and identify options for resolving complaints or disagreements between external stakeholders and the FDIC.

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## PROVIDE RELEVANT INFORMATION

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### ADVISORY COMMITTEE ON COMMUNITY BANKING

Continue to provide timely and useful information on relevant topics of interest at each meeting, as requested.

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## MEASURE SURVEY RESPONSES

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### POST-EXAMINATION SURVEY RESULTS

Develop and implement measures for closely monitoring response rates for the FDIC Post-Examination Survey, and continue to ensure feedback, messages and concerns of the industry, in relation to examination activities, are appropriately conveyed to the driver risk management and consumer protection divisions.

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## PRODUCE AN ANNUAL REPORT

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### ANNUAL REPORT PUBLICATIONS

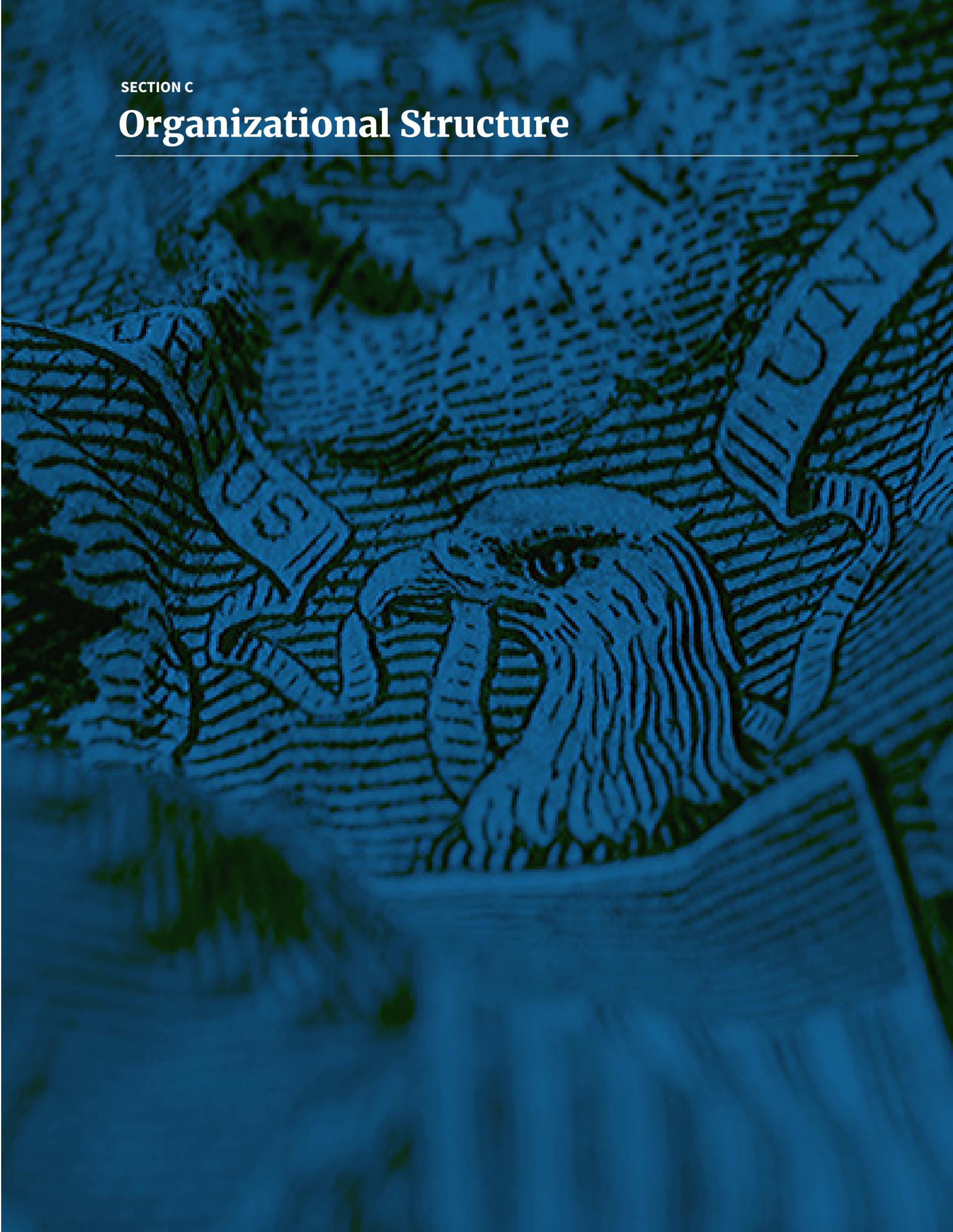
Consistent with appropriate protections for anonymous feedback, produce an annual report from the Office of the Ombudsman providing transparency regarding industry comments, observations, and feedback regarding FDIC operations.

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SECTION C

# Organizational Structure

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# Overview of National Network

The Office of the Ombudsman is headquartered in Washington, DC, with one Regional Ombudsman assigned to each of the six FDIC Regional Offices. The majority of the Regional Ombudsmen have been employed by FDIC for an average 30 years, having previously served in roles such as Bank Examiners, Case Managers, and Assistant Regional Directors, or have held other managerial

positions within the Corporation. This experience has resulted in the Regional Ombudsmen having a strong understanding of the FDIC's procedures, operations, and mandates. Additionally, most Regional Ombudsmen have graduated from leadership programs sponsored by Graduate School USA and/or are certified as a Certified Organizational Ombudsman Practitioner (CO-OP®) by the International Ombudsman Association.

## FDIC HEADQUARTERS AND REGIONS:

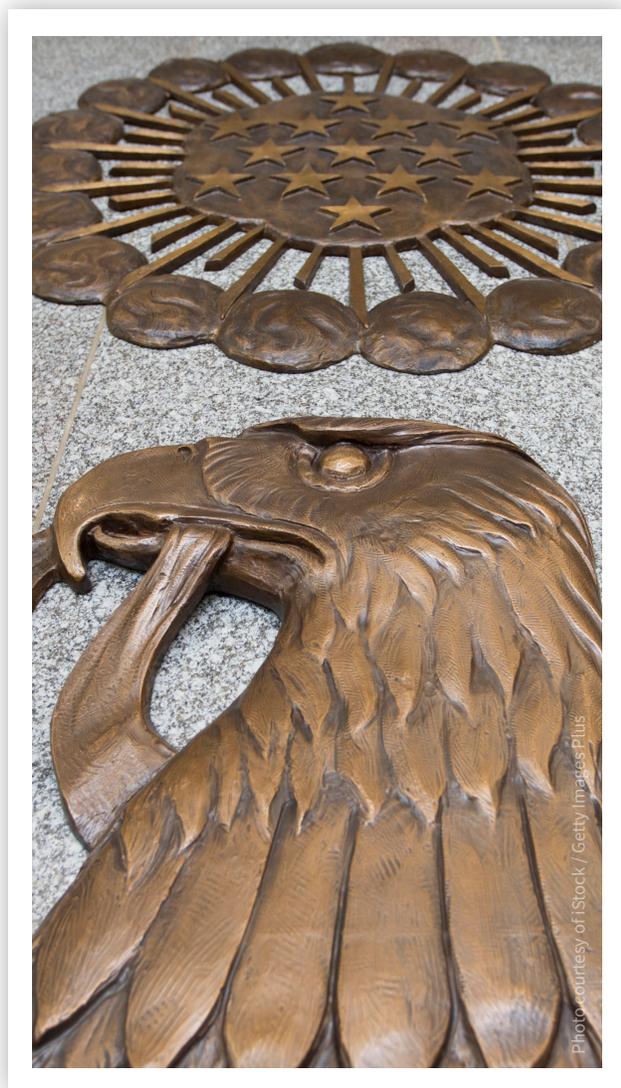


# Senior Management

## DIRECTOR M. ANTHONY LOWE

The Director of the Office of the Ombudsman is an Officer of the Corporation, and reports directly to the Chairman's Office. Director M. Anthony Lowe fulfills the Ombudsman role for FDIC, and is responsible for oversight of the agency efforts to resolve problems and complaints against the

agency in a fair, impartial, and timely manner. Director Lowe also serves as the FOIA Public Liaison for FDIC, and responds to concerns presented by FOIA requesters relative to the service received from the FDIC FOIA Group.



### FOIA PUBLIC LIAISON

Director Lowe is the FDIC's FOIA Public Liaison and serves as a supervisory official to whom a FOIA requester can raise questions or concerns about the service received from the FDIC's FOIA/Privacy Act (PA) Group. While the FOIA/PA Group processes requests seeking FDIC agency records, the FOIA Public Liaison assists stakeholders by explaining processes or answering questions. Director Lowe has designated the Senior Ombudsman Specialists to serve as subject matter experts for:

- discussing the role of the FOIA Public Liaison;
- answering questions or reviewing concerns about the FOIA process; and
- reducing delays, increasing transparency, assisting stakeholders in determining the status of requests, and assisting resolution of disputes among stakeholders.

## ASSOCIATE OMBUDSMAN AMY BROWN

Reporting directly to Director Lowe is Associate Ombudsman Amy Brown. In this capacity, Associate Ombudsman Brown directs the supervision of the Regional Ombudsmen and Senior Ombudsman Specialists; she also manages outreach programs and corporate reporting and helps to develop solutions to problems presented to the Office.

### INTERACTION WITH FDIC INTERNAL OMBUDSMAN

On occasion, when current or former FDIC employees contact the Office of the Ombudsman regarding work-related matters that do not involve bank supervisory policy, they are referred to the FDIC's Internal Ombudsman. The Internal Ombudsman serves as a confidential, neutral, and independent resource providing informal assistance to all employees to address work-related issues and concerns.

# Regional Ombudsmen



## ROLES AND RESPONSIBILITIES

**R**egional Ombudsmen are experienced professionals who possess a strong understanding of the FDIC’s procedures, operations, and mandates, particularly in regard to examination and application programs.

**6** NUMBER OF FDIC REGIONAL OMBUDSMEN

### ALTERNATIVE RESOURCE

#### SERVE AS AN ALTERNATIVE RESOURCE FOR INDUSTRY INQUIRIES AND CONCERNS

Regional Ombudsmen are alternative, intermediary contacts between the banking industry and the FDIC within their respective regions. They serve as sounding boards for questions, concerns, or complaints regarding the FDIC’s operations, procedures, and communications. The Regional Ombudsmen establish a “case”, without identifiers, for each of these issues and rely on their judgment, experience, and resource network to provide stakeholders with answers to questions and options

for consideration. Ombudsman services, such as shuttle diplomacy (facilitating communication with the appropriate FDIC office) or informal dispute resolution services, are offered and implemented, as warranted. As appropriate, they may also confidentially direct issues to the responsible parties within the FDIC in order to provide industry perspective on procedures or practices that may warrant modification.

# Stakeholders in the Regions

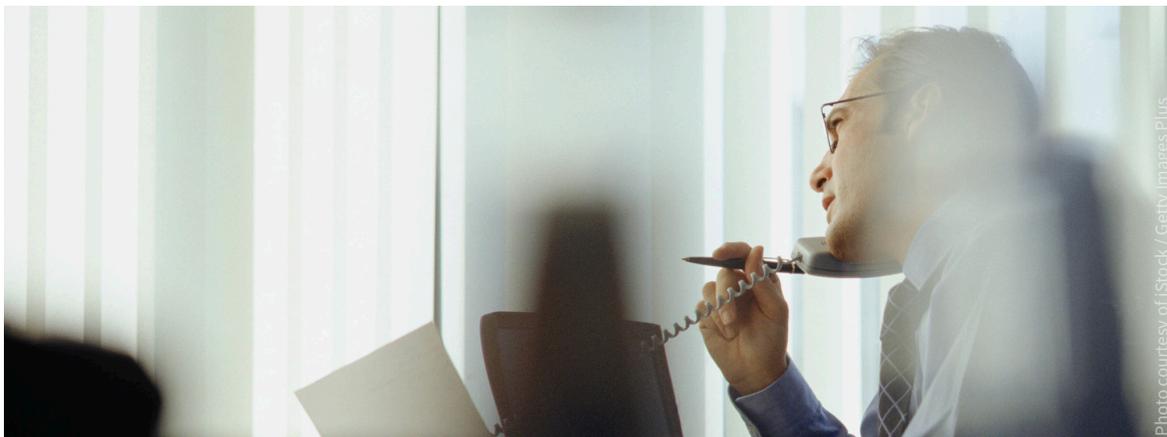
## CONNECT WITH STAKEHOLDERS

### BUILD TRUST AND DEVELOP RELATIONSHIPS BY CONNECTING WITH STAKEHOLDERS

#### EXTERNAL STAKEHOLDERS

As an independent resource, Regional Ombudsmen work throughout their regions conducting outreach with external stakeholders, and routinely meet with executives of FDIC-supervised banks, state trade associations, and state banking authorities. This outreach can take the form of an individual visit, a presentation at an event, networking at a banking conference or convention, or other similar activities. This robust outreach program is designed

to ensure that external stakeholders are aware of the services provided by, and resources available from, this Office and to build familiarity with the Regional Ombudsman. One goal is to build trust and a professional rapport so that, if the need arises, an individual or organization has a degree of comfort contacting the Regional Ombudsman for assistance. Another goal of this outreach is to provide a unique feedback channel for the FDIC on industry issues.



#### INTERNAL STAKEHOLDERS

Regional Ombudsmen are also tasked with developing and maintaining relationships with FDIC Regional and Field Office management and staff. The Regional Ombudsmen periodically meet with FDIC employees through presentations at staff meetings or other interactions. These opportunities enable the Regional Ombudsmen to discuss the confidential manner in which the Office approaches its work and how it can be of assistance to both FDIC staff and the banking industry. On an ongoing basis, the Regional Ombudsmen hold meetings with FDIC management and subject matter experts to enable the Regional Ombudsmen to maintain a working knowledge of areas of regulatory focus, as well as

provide feedback and constructive input to the FDIC to improve internal operations.

The Regional Ombudsmen also serve as a resource for FDIC employees who believe a supervisory procedure, policy, action, or misapplication thereof, is unfairly impacting a financial institution.

Regional Ombudsmen are focused on unfairness to financial institutions and, in particular, the possible cause and potential remedies.

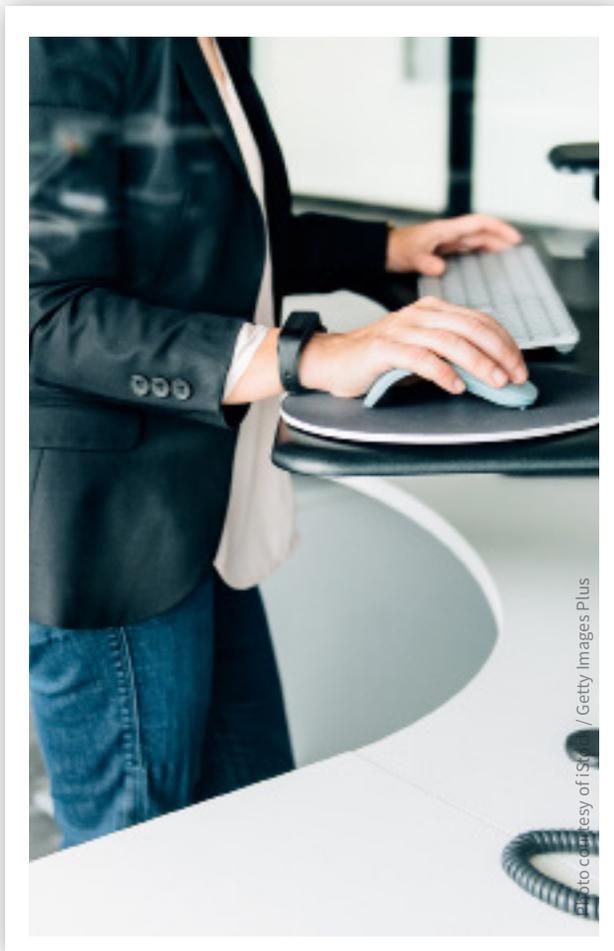
# Senior Ombudsman Specialists

## ROLES AND RESPONSIBILITIES

The Senior Ombudsman Specialists have considerable experience with the FDIC, working within risk management, compliance, and receivership disciplines.

**RMS** = Risk Management Supervision  
**DCP** = Division of Depositor and Consumer Protection  
**DRR** = Division of Resolutions and Receiverships

The primary responsibilities of the Senior Ombudsman Specialists are the generation and oversight of Office reporting. Their roles also include serving as Contacts for Public Inquiries and Bank Closing Representatives.



## MAINTAINING PUBLIC CONFIDENCE

Senior Ombudsman Specialists work to support the FDIC’s mission of maintaining public confidence in the nation’s financial system, insuring deposits, and managing receiverships by:

### CONTACT FOR PUBLIC INQUIRIES

- responding to public inquiries received via phone, email, and the Internet;
- assisting stakeholders in navigating organizational roles and identifying appropriate processes and contacts by listening and making referrals, as needed;
- responding to complaints against the FDIC by reviewing processes for fair implementation of processes in complaint scenarios; and
- providing feedback regarding any observations or potential options to improve processes; and
- maintaining this Office’s system of record notices and provide reporting data from that system.

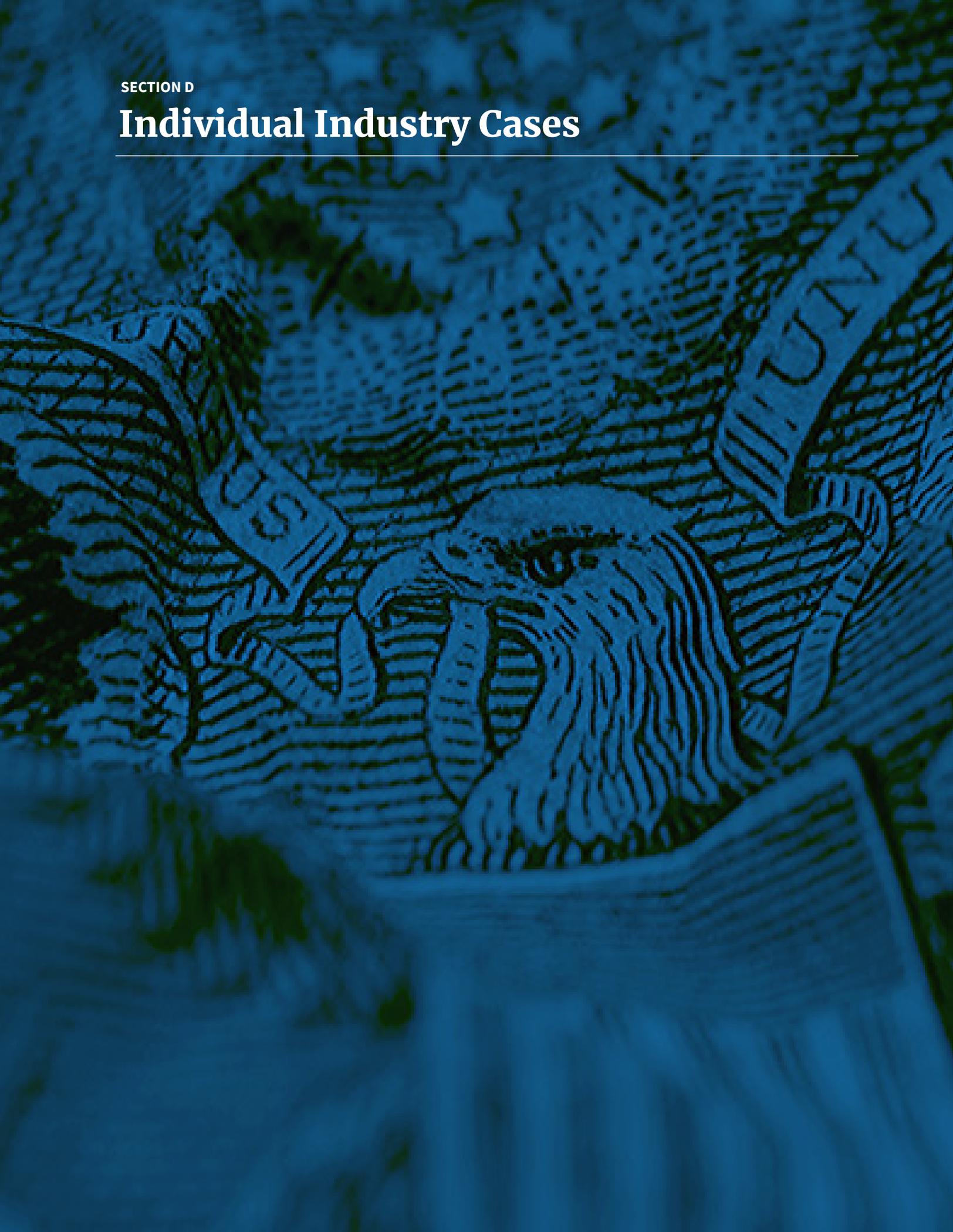
### BANK CLOSING REPRESENTATIVES

- serving as lead public confidence liaisons for those affected by failed bank activities;
- providing assurance to depositors regarding the safety of their insured deposits;
- communicating critical information and timelines related to the failure;
- anticipating sensitive or significant matters and discussing potential options for addressing customer needs before they become problems;
- providing problem-solving support for external and internal stakeholders, where necessary;
- ensuring lines of communication remain open among all parties affected by a closing; and
- serving in a back-up role to the FDIC Office of Communications as an on-site media resource during bank closings.

SECTION D

# Individual Industry Cases

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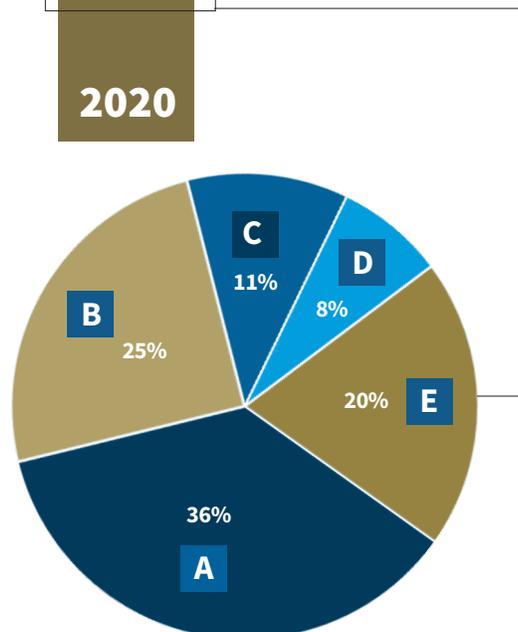


# Overview of Individual Industry Cases

CATEGORIES OF INDIVIDUAL INDUSTRY CASES	2019	2020	2019 & 2020
<b>TOTAL INDIVIDUAL INDUSTRY CASES BY YEAR</b>	<b>197</b>	<b>358</b>	<b>555</b>
<b>A REQUESTS FOR INFORMATION</b>	<b>97</b> (49%)	<b>130</b> (36%)	<b>227</b>
<b>B PROBLEM SOLVING</b>	<b>47</b> (24%)	<b>89</b> (25%)	<b>136</b>
<b>C FDICCONNECT ISSUES</b>	<b>25</b> (13%)	<b>40</b> (11%)	<b>65</b>
<b>D WHISTLEBLOWER-BANK PRACTICES</b>	<b>21</b> (11%)	<b>27</b> (8%)	<b>48</b>
<b>E OTHER RECOMMENDATIONS &amp; FEEDBACK</b>	<b>7</b> (3%)	<b>72</b> (20%)	<b>79</b>

In 2019 and 2020, Regional Ombudsmen received individual industry cases totaling 197 and 358, respectively. These cases represented questions, concerns, complaints, and requests for assistance from particular banks and state banking trade associations regarding the FDIC’s operations, procedures, or communications. The increase in cases experienced in 2020 was due in large part to the impact of the Pandemic, which impacted the banking industry on several fronts. Pandemic-related cases were present in most categories.

Another driver behind the increased number of cases in 2020 was the October 1, 2019, transfer of administration of the Post Examination Survey (PES) to the Office of the Ombudsman. The PES provides each financial institution that undergoes an RMS or DCP examination the opportunity to discuss the examination with the Associate Ombudsman. The first full year of PES oversight led to an increase in cases that emanated from these discussions.



# A. Requests for Information

CATEGORIES OF REQUESTS FOR INFORMATION	2019	2020	2019 & 2020
<b>TOTAL INDIVIDUAL INDUSTRY CASES BY YEAR</b>	<b>197</b>	<b>358</b>	<b>555</b>
<b>A REQUESTS FOR INFORMATION</b>	<b>97</b> (49%)	<b>130</b> (36%)	<b>227</b>
<b>1 REGULATORY MATTERS</b>	<b>68</b> (70%)	<b>58</b> (45%)	<b>126</b>
<b>2 OTHER FDIC MATTERS</b>	<b>24</b> (25%)	<b>65</b> (50%)	<b>89</b>
<b>3 OTHER REQUESTS</b>	<b>5</b> (5%)	<b>7</b> (5%)	<b>12</b>

## 1 REGULATORY MATTERS

Requests for information on regulatory matters dealt with questions concerning:

- Regulations,
- Reporting requirements,
- Deposit insurance coverage, and
- Other supervisory topics.

The most frequent topics included:

- Community Reinvestment Act,
- Appraisal regulations,
- National interest rate caps,
- Home Mortgage Disclosure Act,
- Call Report filing guidance,
- Hemp-related issues, and
- COVID-19 Office Closure Notices (2020).

Regional Ombudsmen responses to these inquiries consisted of researching the specific issue to provide answers to the contacts, directing them to the appropriate written guidance, or referring them to their primary point-of-contact (i.e., Case Manager, Review Examiner) or a regional Subject Matter Expert.

## 2 OTHER FDIC MATTERS

This group includes requests for information such as FDIC Executive Officer presentations, FDIC Signage and publications, FDIC primary contact information, and application-related inquiries. It also captures miscellaneous requests for assistance and contact information from bank employees, industry trade associations, and state banking authorities. Responses from the Regional Ombudsmen included research and referrals to the appropriate parties within the FDIC for specific assistance.

## 3 OTHER REQUESTS

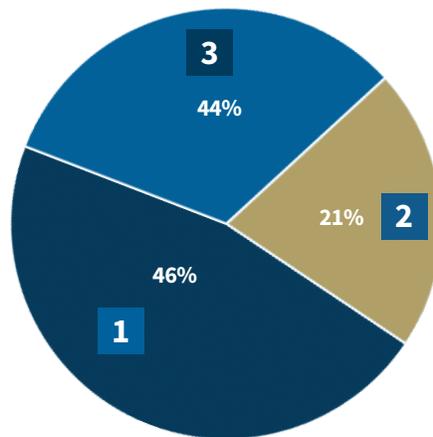
This group is primarily composed of bankers trying to connect with appropriate contacts at other agencies. These agencies include state banking authorities, the Small Business Administration, and other Federal regulators. Regional Ombudsmen responded by holding clarifying discussions and providing appropriate referrals to outside parties.

# B. Problem Solving

During 2019, a key portion of the individual industry cases received by the Regional Ombudsmen pertained to requests for Problem Solving and the number of these cases almost doubled in 2020. These Problem Solving cases reflect the heartbeat of the Office of the Ombudsman’s mission

and core values in serving stakeholders. The Office saw a notable increase in Industry Cases related to Regulatory Findings/Accuracy Concerns and Other Issues. Cases related to Staff Responsiveness/Behavior declined to the lowest number of Cases within the Problem Solving category.

CATEGORIES OF PROBLEM SOLVING	2019	2020	2019 & 2020
<b>TOTAL INDIVIDUAL INDUSTRY CASES BY YEAR</b>	<b>197</b>	<b>358</b>	<b>555</b>
<b>B PROBLEM SOLVING</b>	<b>47</b>	<b>89</b>	<b>136</b>
<b>1 OTHER ISSUES</b>	17 (36%)	46 (52%)	63
<b>2 STAFF RESPONSIVENESS OR BEHAVIOR</b>	17 (36%)	12 (13%)	29
<b>3 REGULATORY FINDINGS OR ACCURACY CONCERNS</b>	13 (28%)	31 (35%)	44



**2019 & 2020**

# Patterns of Problem Solving Cases

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## CATEGORIES OF PROBLEM SOLVING

### 1 OTHER ISSUES

This category includes a wide variety of industry requests for assistance that do not fall into the other two categories. The most common of the requests for both 2019 and 2020 related to the Division of Risk Management Supervision (Risk Management Supervision) examination topics, while the next most requested assistance was Bank Secrecy Act compliance (2019) and bank applications (2020). The Risk Management Supervision topics included questions related to the following areas of interest:

- Enforcement action compliance;
- Assistance in understanding ratings; and
- Examination scheduling issues, both COVID-19 and non-COVID-19 related.

The 2019 BSA-focused questions included discussions regarding examination treatment of BSA deficiencies and assistance in understanding and working through corrective actions. The 2020 bank application-focused questions largely dealt with questions about the application process and clarifying expectations between the applicant and the FDIC. Regional Ombudsmen responses were customized to each situation and included:

- Referring parties to the appropriate FDIC contacts;
- Communicating with FDIC staff, confidentially on the bank's behalf, to obtain clarity on the situation; and
- Facilitating meetings between the parties.

These meetings and further discussions that were facilitated by the Regional Ombudsmen served to reduce misunderstandings between the various parties.

### 2 STAFF RESPONSIVENESS OR BEHAVIOR

Cases in this category related to the professionalism of FDIC staff. Bankers raised varied concerns about behavior that included FDIC employees being unresponsive to bank requests, examination team members being inconsiderate of bank employees, and conduct considered to be unethical. Regional Ombudsmen generally dealt with these cases by investigating the facts and circumstances surrounding the allegations and elevating the matter (when warranted and with the expressed permission of the caller) to the attention of Executives and decision makers for action. The resolution of these matters was determined based on the specifics of the case.

### 3 REGULATORY MATTERS OR ACCURACY CONCERNS

This category primarily relates to discussions regarding Compliance and Risk Management examinations. In some cases, bankers raised concerns that not all relevant facts were considered, contributing to disagreements with violation citations or ratings. The common theme throughout the majority of these cases is a lack of effective communication between bank management and examination personnel. Regional Ombudsmen directed their efforts on increasing and enhancing communication between the parties, particularly prior to the conclusion of the examination, when possible. These enhanced communication options included arranging follow-up meetings with local and regional staff, facilitating additional local discussions so that differences were better understood, and working with contacts to evaluate and assess their position.

## C-E. Remaining Categories of Industry Cases

REMAINING CATEGORIES OF INDUSTRY CASES	2019	2020	2019 & 2020
<b>TOTAL INDIVIDUAL INDUSTRY CASES BY YEAR</b>	<b>197</b>	<b>358</b>	<b>555</b>
<b>A REQUESTS FOR INFORMATION</b>	<b>97</b> (49%)	<b>130</b> (36%)	<b>227</b>
<b>B PROBLEM SOLVING</b>	<b>47</b> (24%)	<b>89</b> (25%)	<b>136</b>
<b>C FDICCONNECT ISSUES</b>	<b>25</b> (13%)	<b>40</b> (11%)	<b>65</b>
<b>D WHISTLEBLOWER-BANK PRACTICES</b>	<b>21</b> (11%)	<b>27</b> (8%)	<b>48</b>
<b>E OTHER RECOMMENDATIONS AND FEEDBACK</b>	<b>7</b> (3%)	<b>72</b> (20%)	<b>79</b>

### C FDICCONNECT ISSUES

This category primarily related to technical assistance requests including access issues, functionality challenges, and other technical difficulties related to utilizing FDICconnect; which is an electronic portal used to exchange documents securely between the FDIC and banks. In 2020, this category also included technical assistance requests for access issues related to banks completing the Post Examination Survey. Regional Ombudsmen resolved these issues through a combination of solutions including making referrals to technical resources, providing assistance documents, and connecting the individuals with technical support staff.

### D WHISTLEBLOWER-BANK PRACTICES

These cases consisted of a wide variety of allegations against financial institutions and their employees, and often originate from confidential sources including bank customers, bank employees, and members of the general public. These cases were researched and, when determined appropriate, referred to an examination division for review and follow-up or to the FDIC's Office of the Inspector General for review and investigation.

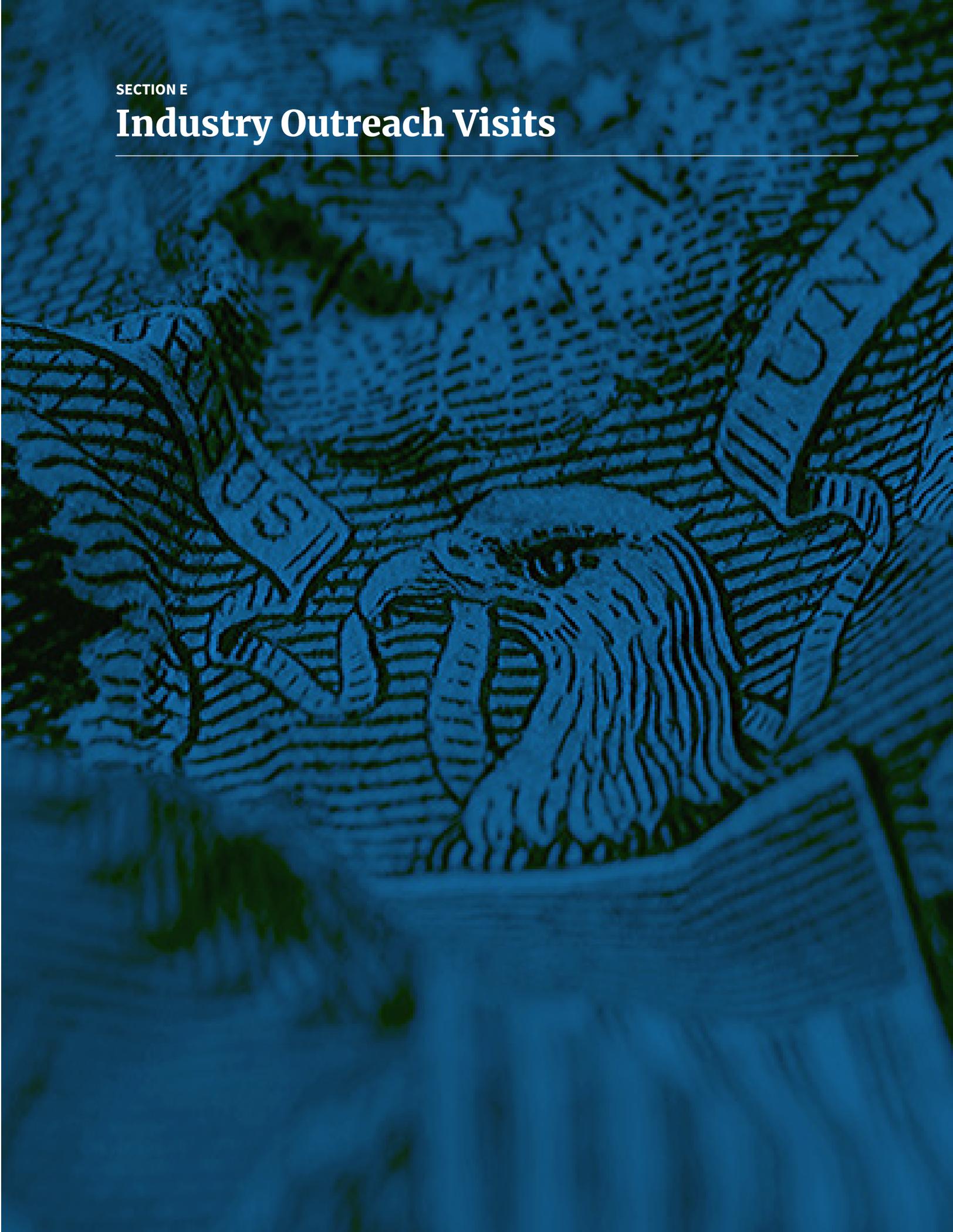
### E OTHER RECOMMENDATIONS & FEEDBACK

Requests in this category in 2019 included individual recommendations related to De Novo institution formation, Reports of Condition and Income functionality, and FDIC responsiveness to new product development. Requests in this category for 2020 increased significantly and the increase was centered in issues new to the industry (Pandemic) and new to the Office of the Ombudsman (PES administration). This category includes 38 cases with requests, comments, and recommendations regarding implementation of COVID-19 legislation, while 18 were PES requests to the Associate Ombudsman to discuss recently completed examinations. These PES follow-up calls typically stem from a desire to recognize the strong performance of the examination team; provide constructive feedback; or convey criticisms of certain aspects of the recently completed examination. For all cases that fall within this category, Regional Ombudsmen accumulate the responses and provide them to the appropriate internal stakeholders with responsibility over the specific referenced areas for consideration.

SECTION E

# Industry Outreach Visits

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# Overview of Industry Outreach Visits

## INTERPRETING THE FEEDBACK ITEMS

Regional Ombudsmen conducted 524 industry outreach visits to banks and industry trade associations in 2019 and 529 outreach contacts in 2020. Travel restrictions forced most of the 2020 contacts to be conducted virtually, but the program remained robust and effective given the circumstances. The number of feedback items remained consistent across the years with 1,302 feedback items reported in 2019 and 1,295 in 2020.

With more than one thousand feedback items received during Industry Visits and Outreach Contacts for each year, the variety of items ranged in complexity and specificity regarding the key issues and regional concerns. The Office of the Ombudsman reviewed all feedback with care and consideration and compiled the items by broad, common themes and rate of frequency. The Pandemic, which was a significant disruptor to

bank operations during 2020, became a frequent topic of discussion. Other feedback items declined during the year as bank management efforts and attention were focused on operational continuity and staff/customer safety. This focus on dealing with the impact of the Pandemic was reflected in outreach feedback and comments.

## PATTERNS OF FREQUENT FEEDBACK ITEMS

These feedback items represent sentiment offered on multiple occasions by industry representatives, but are not to be interpreted as being representative views of the entire banking community.

## CATEGORIES OF FEEDBACK ITEMS

	2019	2020	2019 & 2020
<b>TOTAL INDUSTRY OUTREACH VISITS BY YEAR</b>	524	529	1,053
<b>TOTAL FEEDBACK ITEMS BY YEAR</b>	1,302	1,295	2,597
<b>A EXAMINATION MATTERS</b>	543 (42%)	731 (57%)	1,274
<b>B OTHER REGULATORY MATTERS</b>	482 (37%)	287 (22%)	769
<b>C BANKING ENVIRONMENT</b>	259 (20%)	262 (20%)	521
<b>D REGULATORY PROCESS<sup>5</sup></b>	18 (1%)	15 (1%)	33

<sup>5</sup>Many of the Regulatory Process Feedback Items and comments dealt with banks converting charters and the reasons behind those decisions. Other comments addressed a wide variety of subjects including claims of unfair competition against tax-advantaged entities, lending limits that are viewed as restrictive, and other references to the effectiveness or ineffectiveness of other agencies with which banks interact.

# Outreach Feedback Items Specific to 2020



## REMOTE EXAMINATION WORK

This category included specific feedback related to examinations conducted on an entirely remote basis in 2020. The comments were predominantly favorable and included a few common themes:

- For smaller institutions, document scanning and uploading were viewed as burdensome, but somewhat offset by less disruption during the examination itself;
- A communication plan established between the bank and examiners for the duration of the examination was beneficial;
- Face-to-face communication was valued and missed, but virtual meeting options proved to be effective when utilized.

## COVID-19 IMPACT

This category included COVID-19 feedback as it related to the examination process. Comments received largely conveyed the following sentiment:

- Appreciation for regulatory accounting accommodations made for the impact of the Pandemic;
- Gratitude for encouraging community banks to work with their customers; and
- Concerns over how their actions related to the Coronavirus Aid, Relief, and Economic Security (CARES) Act, and loan modifications will be perceived and evaluated at future examinations.

# Patterns of Frequent Feedback Items

2,597 TOTAL FEEDBACK ITEMS IN 2019 & 2020

<b>A</b> EXAMINATION ISSUES	<b>B</b> OTHER REGULATORY MATTERS	<b>C</b> BANKING ENVIRONMENT
<p><b>1</b> DIVISION OF RISK MANAGEMENT SUPERVISION (RMS)</p> <ul style="list-style-type: none"> <li>• RISK MANAGEMENT EXAMINATIONS</li> <li>• BANK SECRECY ACT REVIEWS (BSA)</li> <li>• INFORMATION TECHNOLOGY</li> </ul>	<p><b>1</b> BANK APPLICATIONS</p> <p><b>2</b> CURRENT EXPECTED CREDIT LOSSES (CECL)</p> <p><b>3</b> REGULATORY MATTERS (OTHER)</p> <p><b>4</b> BANK SECRECY ACT (BSA)</p> <p><b>5</b> FDIC OPERATIONS</p> <p><b>6</b> APPEALS PROCESS AND THE SUPERVISION APPEALS REVIEW COMMITTEE</p> <p><b>7</b> REGULATION BURDEN</p> <p><b>8</b> REGULATION Z (REG Z) TRUTH IN LENDING</p> <p><b>9</b> COMMUNITY REINVESTMENT ACT (CRA) AND CRA MODERNIZATION</p> <p><b>10</b> HOME MORTGAGE DISCLOSURE ACT (HMDA)</p> <p><b>11</b> BROKERED DEPOSITS AND INTEREST RATE RESTRICTIONS</p>	<p><b>1</b> COVID-19 IMPACT TO 2020 BANK OPERATIONS</p> <p><b>2</b> BANK ENVIRONMENT</p> <p><b>3</b> CORONAVIRUS AID, RELIEF, AND ECONOMIC SECURITY (CARES) ACT</p> <p><b>4</b> AGRICULTURAL ECONOMY</p> <p><b>5</b> INDUSTRY CONSOLIDATION</p> <p><b>6</b> COMPETITION FROM CREDIT UNIONS AND FARM CREDIT SYSTEM INSTITUTIONS</p> <p><b>7</b> OTHER FEEDBACK ITEMS</p> <p><b>8</b> CYBER SECURITY CHALLENGES AND COSTS</p> <p><b>9</b> TECHNOLOGY SERVICE PROVIDER CONCERNS</p>
<p><b>2</b> EXAMINATION PROCESS</p>		
<p><b>3</b> DIVISION OF DEPOSITOR AND CONSUMER PROTECTION (DCP)</p> <ul style="list-style-type: none"> <li>• COMPLIANCE EXAMS AND NON-SPECIFIC FEEDBACK</li> <li>• COMMUNITY REINVESTMENT ACT (CRA) EVALUATION</li> </ul>		

# Feedback Items: Examination Matters

## A EXAMINATION ISSUES

## B OTHER REGULATORY MATTERS

## C BANKING ENVIRONMENT

### 1 DIVISION OF RISK MANAGEMENT SUPERVISION (RMS)

- RISK MANAGEMENT EXAMINATIONS
- BANK SECRECY ACT REVIEWS (BSA)
- INFORMATION TECHNOLOGY

### 2 EXAMINATION PROCESS

### 3 DIVISION OF DEPOSITOR AND CONSUMER PROTECTION (DCP)

- COMPLIANCE EXAMS AND NON-SPECIFIC FEEDBACK
- COMMUNITY REINVESTMENT ACT (CRA) EVALUATION

# A. Examination Matters

**D**uring industry outreach visits and contacts conducted in 2019 and 2020, Regional Ombudsmen received 2,597 feedback items including 1,274 on Examination Matters. Of those Examination Matters, 48% related to the Division of Risk Management Supervision, 27% related to Examination Process (General or Non-Division Specific), and 25% related to Division of Depositor and Consumer Protection. Below is a breakout of Examination Matters, ordered by category and by year.

## CATEGORIES OF FEEDBACK ITEMS

**A** EXAMINATION MATTERS

**B** OTHER REGULATORY MATTERS

**C** BANKING ENVIRONMENT

**1,274** TOTAL OF FEEDBACK ITEMS THAT WERE RELATED TO EXAMINATION MATTERS

EXAMINATION MATTERS FEEDBACK ITEMS	2019	2020	2019 & 2020
<b>TOTAL INDUSTRY OUTREACH VISITS BY YEAR</b>	524	529	1,053
<b>TOTAL FEEDBACK ITEMS BY YEAR</b>	1,302	1,295	2,597
<b>A EXAMINATION MATTERS</b>	<b>543</b> (42%)	<b>731</b> (57%)	<b>1,274</b>
<b>1</b> DIVISION OF RISK MANAGEMENT SUPERVISION (RMS)	<b>315</b> (58%)	<b>302</b> (41%)	<b>617</b>
• RISK MANAGEMENT EXAMINATIONS	281	286	567
• BANK SECRECY ACT REVIEWS (BSA)	18	6	24
• INFORMATION TECHNOLOGY	16	10	26
<b>2</b> EXAMINATION PROCESS	<b>137</b> (25%)	<b>203</b> (28%)	<b>340</b>
<b>3</b> DIVISION OF DEPOSITOR AND CONSUMER PROTECTION (DCP)	<b>91</b> (17%)	<b>226</b> (31%)	<b>317</b>
• COMPLIANCE EXAMINATIONS AND NON-SPECIFIC FEEDBACK	66	218	284
• COMMUNITY REINVESTMENT ACT (CRA) EVALUATION	25	8	33

# A1. Risk Management Supervision (RMS)

Of the 617 Examination Matters associated with the Division of Risk Management Supervision, the majority of Issues or 92% related to Risk Management Examinations. Bank Secrecy Act Reviews and Information Technology Examinations each accounted for 4% of issues reported.

## RISK MANAGEMENT EXAMINATIONS

Experiences from the most recent RMS examination were the focus of the comments, which were generally positive when relating to examination staff interactions. Staff were most commonly referenced as professional, engaged, well-trained, and respectful. RMS converted to fully-offsite examinations (“remote examinations”) starting in March 2020 and feedback related to those remote examinations was largely positive. While remote examinations were generally viewed favorably, many industry professionals expressed a desire to have a portion of the examination completed in person when circumstances permit. The amount of desired on-site presence varied widely depending on many factors including number of bank employees, how far along the bank was in maintaining electronic records (particularly loan files), and the substance of examination findings. Constructive (unfavorable) commentary was sometimes offered in regard to the length of examinations, duplicative requests for examination materials, inability to navigate non-verbal communication, and isolated communication difficulties with examination staff.

## CATEGORIES OF FEEDBACK ITEMS

**A** EXAMINATION MATTERS

**B** OTHER REGULATORY MATTERS

**C** BANKING ENVIRONMENT

### BANK SECRECY ACT REVIEW (BSA)

Comments related to feedback on BSA reviews generally related to the following topical areas: cannabis and hemp; beneficial-ownership requirements; and suspicious activity reporting. There were also several commenters that shared their positive and constructive examination experiences.

### INFORMATIONAL TECHNOLOGY (IT)

Comments related to recent IT examination experiences were generally favorable. Some comments under this topic included concerns over examiner expectations and the persistent increasing costs associated with IT operations and security.

## RMS FEEDBACK ITEMS

	2019	2020	2019 & 2020
<b>TOTAL FEEDBACK ITEMS BY YEAR</b>	1,302	1,295	2,597
<b>A</b> EXAMINATION MATTERS	543	731	1,274
<b>1</b> DIVISION OF RISK MANAGEMENT SUPERVISION	315	302	617
• RISK MANAGEMENT EXAMINATIONS	281	286	567
• BANK SECRECY ACT REVIEWS (BSA)	18	6	24
• INFORMATION TECHNOLOGY	16	10	26

## A2. Examination Process

### GENERAL OR NON-DIVISION SPECIFIC

Commenters in this category provided their general observations on the FDIC’s examination process and views on examination staff. The comments were generally positive and described the examination process as improving and more collaborative or cooperative than in the past. Examiners were noted as being readily available for providing guidance. Examination process comments included appreciation for the following:

- Examiners arriving at the bank familiar with the institution;
- Examination work conducted offsite increased;
- Communication with examiners was effective; and
- Many bankers observed the in-person interaction led to relationship building, constructive conversations, and more fully vetted examination findings.

**28%** TOTAL OF FEEDBACK ITEMS RELATED TO EXAMINATION PROCESS IN 2019 & 2020

### CATEGORIES OF FEEDBACK ITEMS

**A** EXAMINATION MATTERS

**B** OTHER REGULATORY MATTERS

**C** BANKING ENVIRONMENT

#### CONSTRUCTIVE COMMENTS INCLUDED:

- Inconsistent findings by different examination teams and a lack of scheduled examination coordination between the risk and compliance examination teams.
- In some cases, concern was raised over the Report of Examination tone being more critical in substance than examiner comments conveyed during the examination

### EXAMINATION PROCESS FEEDBACK ITEMS

	2019	2020	2019 & 2020
<b>TOTAL EXAMINATION MATTERS BY YEAR</b>	543	731	1,274
<b>1</b> DIVISION OF RISK MANAGEMENT SUPERVISION (RMS)	315	302	617
<b>2</b> EXAMINATION PROCESS	137	203	340
• EXAMINATION PROCESS (PANDEMIC RELATED)	N/A	26	26
<b>3</b> DIVISION OF DEPOSITOR AND CONSUMER PROTECTION (DCP)	91	226	317

# A3. Depositor & Consumer Protection (DCP)

Of the 317 feedback items associated with the Division of Depositor and Consumer Protection (DCP) in 2019 and 2020, the majority of items, 284 items, were related to compliance examinations and non-specific DCP feedback. The additional feedback items received in 2019 and 2020 were associated with Community Reinvestment Act (CRA) Evaluations. DCP General or Non-Specific to CRA or Compliance represented 4% of the total DCP Examination Matters Feedback Items.

## CATEGORIES OF FEEDBACK ITEMS

**A** EXAMINATION MATTERS

**B** OTHER REGULATORY MATTERS

**C** BANKING ENVIRONMENT

**25%** TOTAL OF FEEDBACK ITEMS THAT WERE RELATED TO DCP IN 2019 & 2020

DCP FEEDBACK ITEMS	2019	2020	2019 & 2020
<b>TOTAL INDUSTRY OUTREACH VISITS BY YEAR</b>	524	529	1,053
<b>TOTAL FEEDBACK ITEMS BY YEAR</b>	1,302	1,295	2,597
<b>A</b> EXAMINATION MATTERS	543	731	1,274
<b>1</b> DIVISION OF RISK MANAGEMENT SUPERVISION (RMS)	315 (58%)	302 (41%)	617
<b>2</b> EXAMINATION PROCESS	137 (25%)	203 (28%)	340
<b>3</b> DEPOSITOR AND CONSUMER PROTECTION (DCP)	91 (17%)	226 (31%)	317
<ul style="list-style-type: none"> <li>COMPLIANCE EXAMINATIONS AND NON-SPECIFIC FEEDBACK</li> </ul>	66	218	284
<ul style="list-style-type: none"> <li>COMMUNITY REINVESTMENT ACT (CRA) EVALUATION</li> </ul>	25	8	33

# A3. Non-Specific DCP Feedback Items

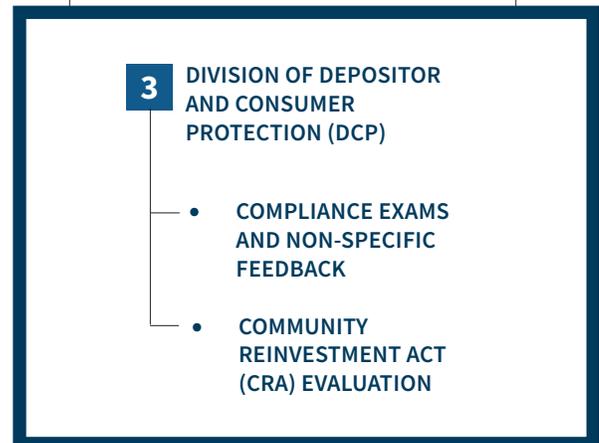
## COMPLIANCE EXAMINATIONS & NON-SPECIFIC FEEDBACK

Feedback related to DCP in general was notably positive, including specific Compliance examinations. Commenters found examiners to be particularly helpful while ensuring bank staff understood, and could comply with, governing regulations. The increase in comments received during 2020 is attributed to feedback related to a Report of Examination piloted during 2020. Additionally, there were numerous comments received about 2020 examinations completed on a remote, offsite-only basis. Feedback items related to the revised Report pilot and those received on remote examinations were overwhelmingly positive. Constructive comments focused on extended report turnaround times, primarily when referencing fair lending reviews, before the bank received the final Report of Examination. Comments provided also indicated that, on occasion, examination staff appeared overly focused on minor issues, while overlooking positive measures bank management had accomplished. The volume of constructive or critical comments declined in 2020.

### COMMUNITY REINVESTMENT ACT (CRA) EVALUATIONS

Feedback related to CRA Evaluations included a variety of both positive and constructive comments. Positive feedback related to general examiner support and guidance, including assisting institution management in understanding evaluation criteria. Constructive comments expressed frustration in understanding the following:

- Performance expectations when transitioning from the examination procedures of one asset-size threshold to the next (i.e., Small Institutions, Intermediate Small Institutions, Large Institutions, and Institutions with Strategic Plans);
- Documentation expectations necessary to receive CRA credit; and
- Subjective criteria for certain loans or community investments to qualify for consideration under the Act.



# Feedback Items: Other Regulatory Matters

## A EXAMINATION ISSUES

## B OTHER REGULATORY MATTERS

## C BANKING ENVIRONMENT

- 1 BANK APPLICATIONS
- 2 CURRENT EXPECTED CREDIT LOSSES (CECL)
- 3 REGULATORY MATTERS (OTHER)
- 4 BANK SECRECY ACT (BSA)
- 5 FDIC OPERATIONS
- 6 APPEALS PROCESS AND THE SUPERVISION APPEALS REVIEW COMMITTEE
- 7 REGULATION BURDEN
- 8 REGULATION Z (REG Z) TRUTH IN LENDING
- 9 COMMUNITY REINVESTMENT ACT (CRA) AND CRA MODERNIZATION
- 10 HOME MORTGAGE DISCLOSURE ACT (HMDA)
- 11 BROKERED DEPOSITS AND INTEREST RATE RESTRICTIONS

## B. Other Regulatory Matters

**A** EXAMINATION MATTERS

**B** OTHER REGULATORY MATTERS

**C** BANKING ENVIRONMENT

### FREQUENCY OF FEEDBACK ITEMS

#### OTHER REGULATORY MATTERS

Of the 2,597 feedback items received in 2019 and 2020, 769 related to the Other Regulatory Matters category. Below is a breakdown of those items, ordered by frequency and percentage:

**30%**

PERCENTAGE OF TOTAL FEEDBACK ITEMS RELATED TO OTHER REGULATORY MATTERS IN 2019 & 2020

	2019	2020	2019 & 2020
TOTAL INDUSTRY OUTREACH VISITS BY YEAR	524	529	1,053
TOTAL FEEDBACK ITEMS BY YEAR	1,302	1,295	2,597

**B** OTHER REGULATORY MATTERS

482

287

769

<b>1</b> BANK APPLICATIONS	22%
<b>2</b> CURRENT EXPECTED CREDIT LOSSES (CECL)	14%
<b>3</b> REGULATORY MATTERS - OTHER	13%
<b>4</b> BANK SECRECY ACT (BSA)	11%
<b>5</b> FDIC OPERATIONS	9%
<b>6</b> APPEALS PROCESS AND THE SUPERVISION APPEALS REVIEW COMMITTEE	8%
<b>7</b> REGULATION BURDEN	6%
<b>8</b> REGULATION Z TRUTH IN LENDING (REG Z)	5%
<b>9</b> COMMUNITY REINVESTMENT ACT (CRA) AND CRA MODERNIZATION	5%
<b>10</b> HOME MORTGAGE DISCLOSURE ACT (HMDA)	4%
<b>11</b> BROKERED DEPOSITS AND INTEREST RATE RESTRICTIONS	3%

# B1–2. Bank Applications and Credit Loss

## 1 BANK APPLICATIONS

Views expressed regarding FDIC’s processing of bank applications were generally positive. Banks completing acquisitions and filing merger applications were part of the sample and comments specific to that process were generally complimentary. Application processing was frequently described as being “smooth” and “straightforward”; Case Managers were routinely complimented for their efforts processing the applications; communication was noted as being favorable; and applications were generally processed in a timely manner. Applications processed during the pandemic continued to be processed timely and with strong communication maintained throughout the process.

Several commenters referenced new bank applications (De Novo), with positive and constructive feedback on the process provided. Commenters were generally satisfied with the support provided by the agency to the process and the utility of the De Novo handbook while navigating the application process. Pre-filing meetings were noted as being particularly beneficial and contributed to a transparent process. However, several commenters expressed frustrations regarding the De Novo process including the length of time for feedback on correspondence and information submitted, expectations to develop comprehensive written policies prior to executive staff being fully in place, and the overall timeframe for applications to be accepted or approved.

## 2 CURRENT EXPECTED CREDIT LOSSES

CECL is an accounting standard that changes how financial institutions account for expected credit losses. Feedback was consistently focused on the opinion that this accounting rule change is not necessary for privately held community banks. Other comments on CECL included the following:

- Limited or no perceived benefit for smaller or community institutions;
- CECL implementation was a form of regulatory burden; and
- Uncertainty as to how examiners will assess bank’s efforts and methodologies.

While the comments were generally negative, a large number of commenters stated they have initiated strategies toward implementation including collecting data, testing models, and in many cases running parallel systems to their current Allowance for Loan and Lease Losses methodology.

## B OTHER REGULATORY MATTERS

### 1 BANK APPLICATIONS

### 2 CURRENT EXPECTED CREDIT LOSSES (CECL)

### 3 REGULATORY MATTERS (OTHER)

### 4 BANK SECRECY ACT (BSA)

### 5 FDIC OPERATIONS

### 6 APPEALS PROCESS AND THE SUPERVISION APPEALS REVIEW COMMITTEE

### 7 REGULATION BURDEN

### 8 REGULATION Z (REG Z) TRUTH IN LENDING

### 9 COMMUNITY REINVESTMENT ACT (CRA) AND CRA MODERNIZATION

### 10 HOME MORTGAGE DISCLOSURE ACT (HMDA)

### 11 BROKERED DEPOSITS AND INTEREST RATE RESTRICTIONS

# B3–5. Bank Secrecy and FDIC Operations

## 3 REGULATORY MATTERS (OTHER)

This category includes a wide variety of topics that do not fall into the other ten categories. They are most significantly represented by comments regarding regulation burden, Reports of Condition and Income simplification efforts, Capital rules, and some feedback on special purpose bank charters.

## 4 BANK SECRECY ACT (BSA)

Feedback received in outreach contacts related to BSA related to the challenge and burden of complying with the regulations generally, with particular emphasis on three areas:

- Beneficial Ownership;
- Cannabis/Hemp; and
- Currency Transaction Report (CTR) thresholds.

Common sentiments from the industry were that Beneficial Ownership requirements were burdensome, the documentation was not the responsibility of a bank (aligning more with each jurisdiction's Secretary of State), and that customers do not understand the need for providing the information. Comments regarding a bank's ability to provide financial services to the cannabis and hemp industries, as well as ancillary businesses, largely conveyed the sentiment that the industry participants are seeking legislative and regulatory clarity. Bank executives continue to express a desire for additional guidance from the FDIC on regulatory expectations for banking cannabis and hemp customers beyond that outlined in the prevailing FinCEN guidance. Also, CTR filing thresholds were frequently noted as being too low and a burden on the industry. Commenters stated that, given the length of time and inflation since this regulation was enacted, the reporting threshold should be raised.

## 5 FDIC OPERATIONS

These comments primarily captured positive feedback on the FDIC Operations including the FDIC Chairman's (Trust Through Transparency) initiative along with the following:

Directors Colleges, Industry education, and website-published training videos

Working relationships with local FDIC examiners and Regional Management's willingness to participate in outreach/training events

Support and communication provided to the industry throughout the Pandemic

The Office of the Ombudsman assuming primary responsibility for the Post-Examination Survey process

## B OTHER REGULATORY MATTERS

1 BANK APPLICATIONS

2 CURRENT EXPECTED CREDIT LOSSES (CECL)

3 REGULATORY MATTERS (OTHER)

4 BANK SECRECY ACT (BSA)

5 FDIC OPERATIONS

6 APPEALS PROCESS AND THE SUPERVISION APPEALS REVIEW COMMITTEE

7 REGULATION BURDEN

8 REGULATION Z (REG Z) TRUTH IN LENDING

9 COMMUNITY REINVESTMENT ACT (CRA) AND CRA MODERNIZATION

10 HOME MORTGAGE DISCLOSURE ACT (HMDA)

11 BROKERED DEPOSITS AND INTEREST RATE RESTRICTIONS

# B6–8. Appeals Process and Regulations

## 6 APPEALS PROCESS AND THE SUPERVISION APPEALS REVIEW COMMITTEE

This category consisted of feedback regarding the Guidelines for Appeals of Material Supervisory Determinations, also referred to as the “Appeals” process. This process was initially established by the Riegle Act, which required the FDIC to establish an independent intra-agency appellate process to review material supervisory determinations made at insured depository institutions that it supervises. The FDIC established the Supervision Appeals Review Committee (SARC) to review such appeals of material supervisory determinations.

In 2019, the Office of the Ombudsman conducted listening sessions in each Region in order to gather ideas from the industry for improving the Appeals process. Comments received by the Office of the Ombudsmen in 2019 relative to the Appeals process expressed frustration and a desire for more transparency and a less intimidating atmosphere. This feedback was utilized in developing a Notice and Request for Comment on the proposed amendment to the Guidelines for Appeals of Material Supervisory Determinations approved by the FDIC Board of Directors on August 21, 2020. Feedback received by the Office in 2020 largely focused on the proposal to amend the guidelines. Feedback was generally positive and commenters felt the modifications would make the process more independent, inclusive, and transparent.

## 7 REGULATION BURDEN

Comments focused on the burden of the time, expense, and staffing needed to comply with the number of relevant regulations. Some comments indicate these resource needs led to increased usage of consultants, which elevated overhead expense without an increase in revenues. Some commenters appreciated a recent absence of complicated new regulations, which provided some stability to banks’ operating environment, but many stated more needed to be done to reduce regulation burden. As an option, numerous respondents advocated for stratifying the regulatory structure to better match regulations to the size and complexity of institutions.

## 8 REGULATION Z TRUTH IN LENDING (REG Z)

Comments from bank executives related to Regulation Z focused almost entirely on the TILA-RESPA Integrated Disclosure Rule (TRID). These executives frequently stated the disclosures fall short of helping consumers as they remain difficult to understand. There were also comments received regarding the expense of providing the disclosures, their complexity, and difficulty in completing them accurately. Bank executives from some smaller financial institutions commented that originating home mortgage loans has become challenging due to perceived compliance risk, complexity surrounding TRID, and other real estate loan disclosures and a lack of available staff. A small number of banks indicated they have ceased originating home loans due to disclosures and other regulatory requirements.

## B OTHER REGULATORY MATTERS

- 1 BANK APPLICATIONS
- 2 CURRENT EXPECTED CREDIT LOSSES (CECL)
- 3 REGULATORY MATTERS (OTHER)
- 4 BANK SECRECY ACT (BSA)
- 5 FDIC OPERATIONS

- 6 APPEALS PROCESS AND THE SUPERVISION APPEALS REVIEW COMMITTEE
- 7 REGULATION BURDEN
- 8 REGULATION Z (REG Z) TRUTH IN LENDING

- 9 COMMUNITY REINVESTMENT ACT (CRA) AND CRA MODERNIZATION
- 10 HOME MORTGAGE DISCLOSURE ACT (HMDA)
- 11 BROKERED DEPOSITS AND INTEREST RATE RESTRICTIONS

# B9–11. CRA and Interest Rate Restrictions

## 9 COMMUNITY REINVESTMENT ACT (CRA) AND CRA MODERNIZATION

Comments and feedback received on the CRA were primarily centered on efforts by regulatory authorities to modernize the Act. A common theme was conveyed that the CRA is outdated and does not account for technology or technological advances in deposit gathering alternatives. While many contacts were looking forward to a CRA update, disappointment was expressed that the Federal Banking Agencies did not seem to be working together on these modification efforts. Commenters felt less subjectivity and more specific guidance on what qualifies for credit under the revised rules would be beneficial. Bankers stated that under the current process, some meaningful efforts and activities were not considered when evaluating a bank’s performance under the Act.

## 10 HOME MORTGAGE DISCLOSURE ACT (HMDA)

Feedback on HMDA struck a consistent theme that compliance was costly, and the regulation placed a burden on institutions. Bankers opined that there is a perceived regulatory expectation for perfection in this area, necessitating an extensive amount of staff time and expense to meet the standard. Collection of the data and ensuring its completeness and accuracy was viewed as an extensive use of manpower. Several executives from small community banks expressed concern that the limited number of applicable loans that they originate does not justify the cost of collection, with another frequent concern being that there are too many data elements.

## 11 BROKERED DEPOSITS, INTEREST RATE RESTRICTIONS

The preponderance of feedback on brokered deposits and interest rate restrictions dealt with suggestions to modify and simplify the FDIC’s rate calculation. Other bankers requested eliminating geographic distinction of deposits and recommended the FDIC work to remove the perceived stigma associated with using brokered deposits. Several expressions of appreciation were also received in 2019 for removing reciprocal deposits from the definition of brokered deposits.

## B OTHER REGULATORY MATTERS

- 1 BANK APPLICATIONS
- 2 CURRENT EXPECTED CREDIT LOSSES (CECL)
- 3 REGULATORY MATTERS (OTHER)
- 4 BANK SECRECY ACT (BSA)
- 5 FDIC OPERATIONS
- 6 APPEALS PROCESS AND THE SUPERVISION APPEALS REVIEW COMMITTEE
- 7 REGULATION BURDEN
- 8 REGULATION Z (REG Z) TRUTH IN LENDING

- 9 COMMUNITY REINVESTMENT ACT (CRA) AND CRA MODERNIZATION
- 10 HOME MORTGAGE DISCLOSURE ACT (HMDA)
- 11 BROKERED DEPOSITS AND INTEREST RATE RESTRICTIONS

# Feedback Items: Banking Environment

**A** EXAMINATION  
ISSUES

**B** OTHER REGULATORY  
MATTERS

**C** BANKING  
ENVIRONMENT

**1** COVID-19 IMPACT TO  
2020 BANK OPERATIONS

**2** BANKING  
ENVIRONMENT

**3** CORONAVIRUS AID, RELIEF,  
AND ECONOMIC SECURITY  
(CARES) ACT

**4** AGRICULTURAL  
ECONOMY

**5** INDUSTRY  
CONSOLIDATION

**6** COMPETITION FROM CREDIT  
UNIONS AND FARM CREDIT  
SYSTEM INSTITUTIONS

**7** OTHER FEEDBACK  
ITEMS

**8** CYBER SECURITY  
CHALLENGES AND COSTS

**9** TECHNOLOGY SERVICE  
PROVIDER CONCERNS

# C. Banking Environment

**A** EXAMINATION MATTERS

**B** OTHER REGULATORY MATTERS

**C** BANKING ENVIRONMENT

## FREQUENCY OF FEEDBACK ITEMS

### BANKING ENVIRONMENT

Of the 2,597 feedback items received in 2019 and 2020, 521 related to the Banking Environment category. Below is a breakdown of those items, ordered by frequency and percentage:

**20%**

PERCENTAGE OF TOTAL FEEDBACK ITEMS THAT WERE RELATED TO BANKING ENVIRONMENT IN 2019 & 2020

	2019	2020	2019 & 2020
<b>TOTAL INDUSTRY OUTREACH VISITS BY YEAR</b>	524	529	1,053
<b>TOTAL FEEDBACK ITEMS BY YEAR</b>	1,302	1,295	2,597

**C** BANKING ENVIRONMENT

259

262

521

<b>1</b>	COVID-19 IMPACT TO 2020 BANK OPERATIONS	26%
<b>2</b>	BANKING ENVIRONMENT	21%
<b>3</b>	COVID-19 CARES ACT (PAYCHECK PROTECTION PROGRAM)	14%
<b>4</b>	AGRICULTURAL ECONOMY	9%
<b>5</b>	INDUSTRY CONSOLIDATION	9%
<b>6</b>	COMPETITION FROM CREDIT UNIONS/FARM CREDIT SYSTEM INSTITUTIONS	9%
<b>7</b>	OTHER FEEDBACK ITEMS	5%
<b>8</b>	CYBERSECURITY CHALLENGE AND COSTS	4%
<b>9</b>	TECHNOLOGY SERVICE PROVIDER CONCERNS	3%

# C1–3. Coronavirus Impact and Relief

## 1 COVID-19 IMPACT TO 2020 BANK OPERATIONS

Comments in this category correlate to the impact the Pandemic had on financial institutions’ operations. Topics included restricting customer access to lobbies while maintaining drive-thru lanes, mobile banking applications, automated teller machines, virtual tellers, and distanced meetings by appointment only.

Contacts also reported installation of personal protective equipment and implementation of social distancing requirements since the start of the Pandemic. Bank staffing became a critical issue to ensure operations could be sustained and many banks moved to full or partial telework for employees. Rotating shifts of workers were also commonly reported in attempts to keep a healthy core staff for operational continuity. Short-term crisis mode topics included coin shortages, an inability to get deeds recorded, and the rapid development of electronic signature protocols.

## 2 BANKING ENVIRONMENT

Comments included in this category relate to the general banking environment. Common topics brought forth by the commenters include the following:

- Fierce competition for deposits in 2019, which reversed to an overall increase in deposit levels in 2020;
- Very competitive loan markets in 2019 that shifted into generally tepid loan demand throughout 2020, with the exception of mortgage loan originations, which remained robust;
- In 2019, some markets were noted as being overbanked, while others were suffering from rural depopulation whereby long-term deposits within the community eventually follow population trends and transfer to more populous areas; and
- In 2020, excess liquidity, stagnant loan demand, and low interest rates combined to put downward pressure on net income.

## 3 CORONAVIRUS AID, RELIEF, AND ECONOMIC SECURITY (CARES) ACT

This category captures comments related to the CARES Act with the majority focused on the Paycheck Protection Program (PPP) available to small- and medium-sized businesses. Comments covered feedback on bank experiences during the origination and forgiveness phases of the program. One common theme conveyed was a lack of clear guidance at the outset of the program. When guidance began to be disseminated, commenters described it as conflicting or unclear during the various stages of the process. As banks became more familiar and experienced with the PPP program,

these comments decreased. Also conveyed were challenges and successes in using the Small Business Association’s portal to originate the loans. Some commenters conveyed they chose not to participate in the PPP program due to their limited staffing and perceived administrative hurdles; however, in those cases referrals of applicants to competitors were noted. Banks actively participating in the PPP described pride in their bank’s ability to utilize the program to benefit their local communities and felt it displayed the value of community banks.

### C BANKING ENVIRONMENT

#### 1 COVID-19 IMPACT TO 2020 BANK OPERATIONS

#### 2 BANKING ENVIRONMENT

#### 3 CORONAVIRUS AID, RELIEF, AND ECONOMIC SECURITY (CARES) ACT

#### 4 AGRICULTURAL ECONOMY

#### 5 INDUSTRY CONSOLIDATION

#### 6 COMPETITION FROM CREDIT UNIONS AND FARM CREDIT SYSTEM INSTITUTIONS

#### 7 OTHER FEEDBACK ITEMS

#### 8 CYBER SECURITY CHALLENGES AND COSTS

#### 9 TECHNOLOGY SERVICE PROVIDER CONCERNS

# C4–9. Agricultural Economy and Other

## 4 AGRICULTURAL ECONOMY

Challenges within the agricultural economy were frequently mentioned, including periods of depressed commodity prices, ongoing cash flow challenges, and high levels of carryover operating debt for a segment of their bank’s loan portfolio. Offsets to these negatives included substantial government payments in 2020 and stable to strong farm real estate values.

## 5 INDUSTRY CONSOLIDATION

Comments on industry consolidation attributed the decline in the number of banks to several causes: regulatory burden, competition from other financial service providers, aging ownership, difficulty identifying and retaining qualified management, and expenses related to technology and cybersecurity.

## 6 COMPETITION FROM CREDIT UNIONS AND FARM CREDIT SYSTEM INSTITUTIONS

Frustrations were expressed about the perceived competitive advantages of Credit Unions and Farm Credit System Institutions. Comments frequently referenced these competitors’ ability to offer high deposit rates and low loan rates due to their tax-exempt status, and not having to comply with the Community Reinvestment Act. Commentors identified these benefits as being unfair advantages over community banks. Credit Unions acquiring banks were also the subject of some comments as these acquisitions were perceived as aggressive efforts by Credit Unions to increase their market share.

## 7 OTHER FEEDBACK ITEMS

Other Feedback Items represents 5% of the total feedback items in the Banking Environment category of comments received during Industry Outreach Visits. This category includes a wide variety of topics that do not fall into the other eight Banking Environment categories.

## 8 CYBERSECURITY CHALLENGES AND COSTS

Comments reflect that cybersecurity efforts are ongoing and necessary, yet expensive to sustain. There was understanding that the importance of protecting information and bank assets from cyber-attacks was critical, but the challenges and associated cost do not decline. Respondents also conveyed the need to remain diligent given the risks present in the current operating environment.

## 9 TECHNOLOGY SERVICE PROVIDER CONCERNS

Feedback on Technology Service Providers generally consisted of comments that the industry was reliant upon a small number of firms, leading to increased costs, decreased offerings, and impacts to service responsiveness. The long duration of vendor contracts and perceived inflexibility from Technology Service Providers were also concerns mentioned by some bankers.

### C BANKING ENVIRONMENT

1 COVID-19 IMPACT TO 2020 BANK OPERATIONS

2 BANKING ENVIRONMENT

3 CORONAVIRUS AID, RELIEF, AND ECONOMIC SECURITY (CARES) ACT

4 AGRICULTURAL ECONOMY

5 INDUSTRY CONSOLIDATION

6 COMPETITION FROM CREDIT UNIONS AND FARM CREDIT SYSTEM INSTITUTIONS

7 OTHER FEEDBACK ITEMS

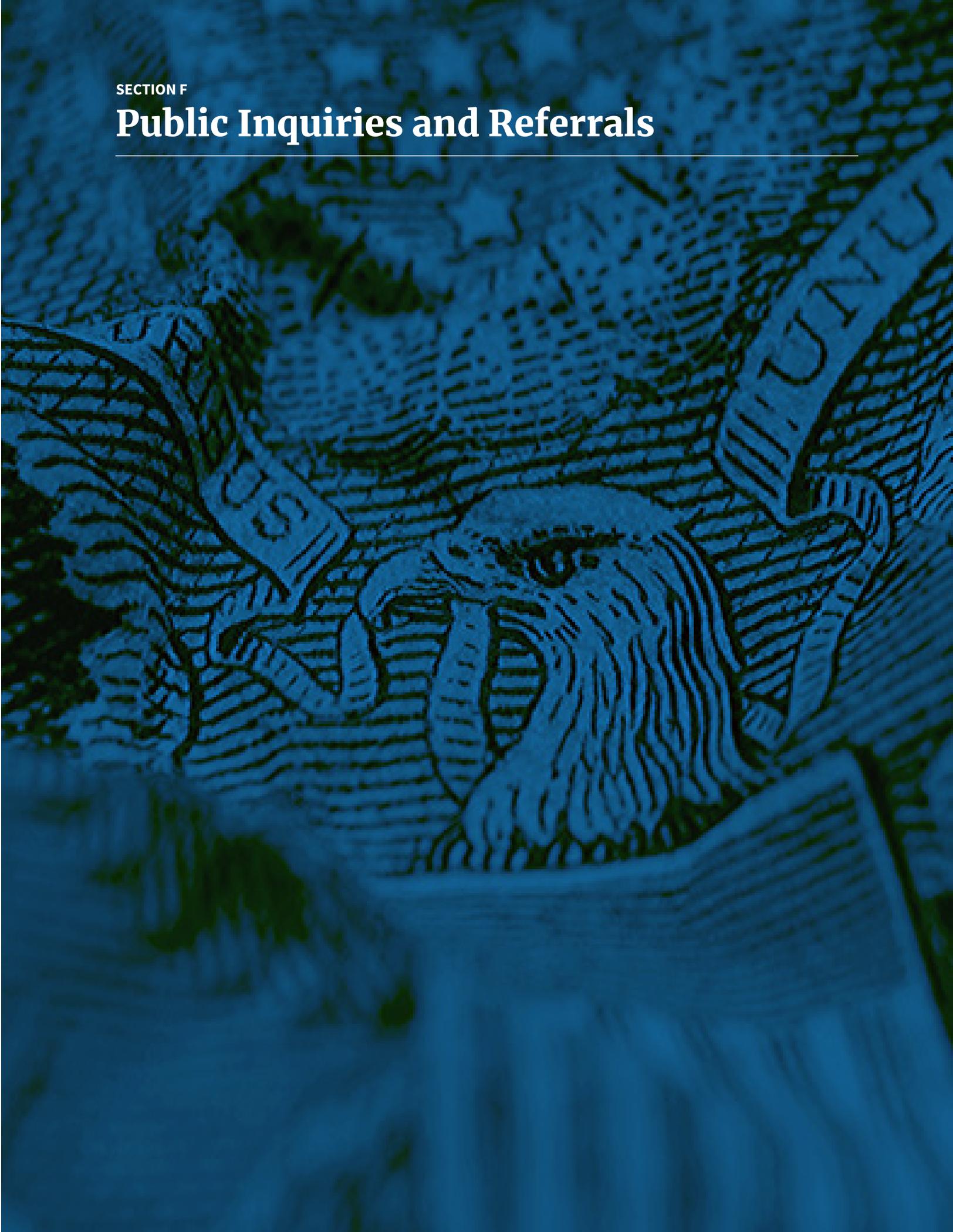
8 CYBER SECURITY CHALLENGES AND COSTS

9 TECHNOLOGY SERVICE PROVIDER CONCERNS

SECTION F

# Public Inquiries and Referrals

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# General Public Inquiries

The FDIC logo is viewed as a symbol of confidence when the public interacts with banks, deals with bank-related issues, and has banking questions. While the FDIC's main website offers answers and references for the most common consumer questions, many consumers and members of the general public contact the Office of the Ombudsman with a broad range of inquiries, comments, and complaints.

Before the Office of the Ombudsman becomes involved with an issue, established processes are first given an opportunity to work. Depending on the optimal course of action to assist inquirers, Ombudsman Specialists and Regional Ombudsmen identify stakeholders' issues and expectations, explain processes, provide publicly available information, and make referrals to appropriate internal divisions or external resources.



## BROAD RANGE OF INQUIRIES:

General public inquiries typically range from complex issues that require research or consultation, to assistance referrals to appropriate parties internal or external to the FDIC. While these inquiries were common in 2019 and continued in 2020, the impact of the Pandemic created a notable increase in the number of public inquiries. Specifically, public inquiries to the Office of the Ombudsman increased by 57% in 2020. This increase primarily related to matters that were referred to Primary Federal Regulators external to the FDIC or for matters that were outside the purview of the FDIC. Contacts to the Office, which were referred elsewhere, experienced a dramatic increase of 75% from 2019 levels. Pandemic-related inquiries covered a wide range of challenges being faced by the general public including those related to stimulus checks, loan payment deferrals, unemployment insurance, the SBA, Cares Act, and access to bank facilities to name a few. The Office was successful in getting individuals to the needed information source whenever possible.

## TOP FOUR AREAS OF INQUIRIES:

### COMPLAINTS AGAINST BANKS

For matters between bank customers and their financial institutions, Ombudsman Specialists referred the customer to the primary Federal regulator, including the FDIC's Division of Depositor and Consumer Protection's Consumer Response Center (CRC). While the FDIC provides deposit insurance to all banks, it only supervises state-chartered banks that are not members of the Federal Reserve System. The CRC investigates consumer complaints involving FDIC-supervised banks to ensure consumers receive the protections provided by Federal consumer protection law, including rules addressing unfair and deceptive practices.

### FDIC PROCESSES

Questions related to FDIC processes and regulatory matters were usually researched and answered, or referred to the responsible Subject Matter Expert, if confidentiality was not requested.

### FAILED BANK MATTERS

Questions related to asset disposition and receivership issues at closed banks were referred, answered, or resolved in consultation with the FDIC's Division of Resolutions and Receiverships.

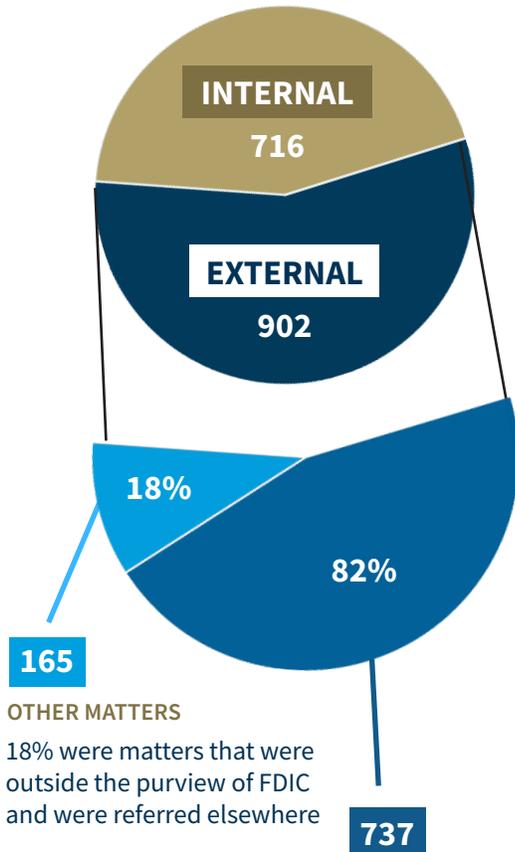
### DEPOSIT INSURANCE QUESTIONS

Consumer inquiries related to Federal Deposit Insurance were referred to the FDIC's Division of Depositor and Consumer Protection Deposit Insurance Group.

# Determining Optimal Course of Action

## REFERRALS TO EXTERNAL RESOURCES

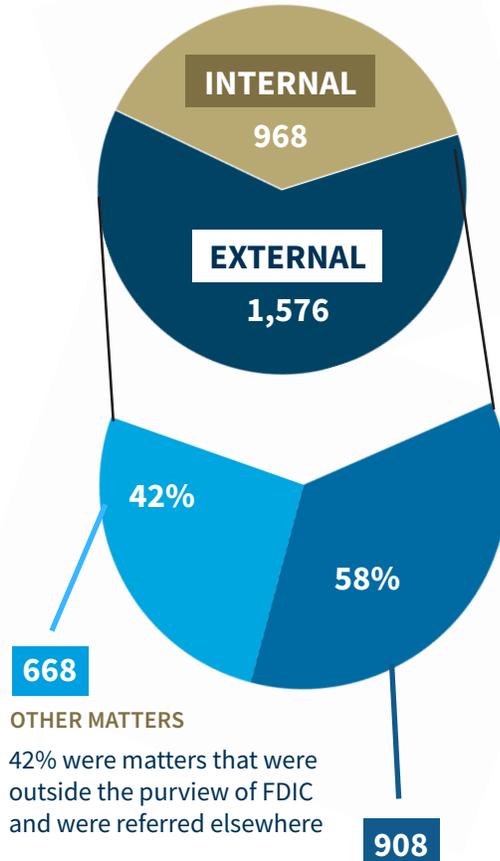
**1,618** TOTAL OF PUBLIC INQUIRIES IN 2019



**OTHER MATTERS**  
18% were matters that were outside the purview of FDIC and were referred elsewhere

**INDUSTRY-RELATED REFERRALS**  
82% were referrals to the Primary Federal Regulator (CFPB, FRB, OCC, or NCUA)

**2,544** TOTAL OF PUBLIC INQUIRIES IN 2020



**OTHER MATTERS**  
42% were matters that were outside the purview of FDIC and were referred elsewhere

**INDUSTRY-RELATED REFERRALS**  
58% were referrals to the Primary Federal Regulator (CFPB, FRB, OCC, or NCUA)

### REFERRALS TO PRIMARY FEDERAL REGULATORS

For contact information, please see Section J for complete Directory of Primary Federal Regulators.

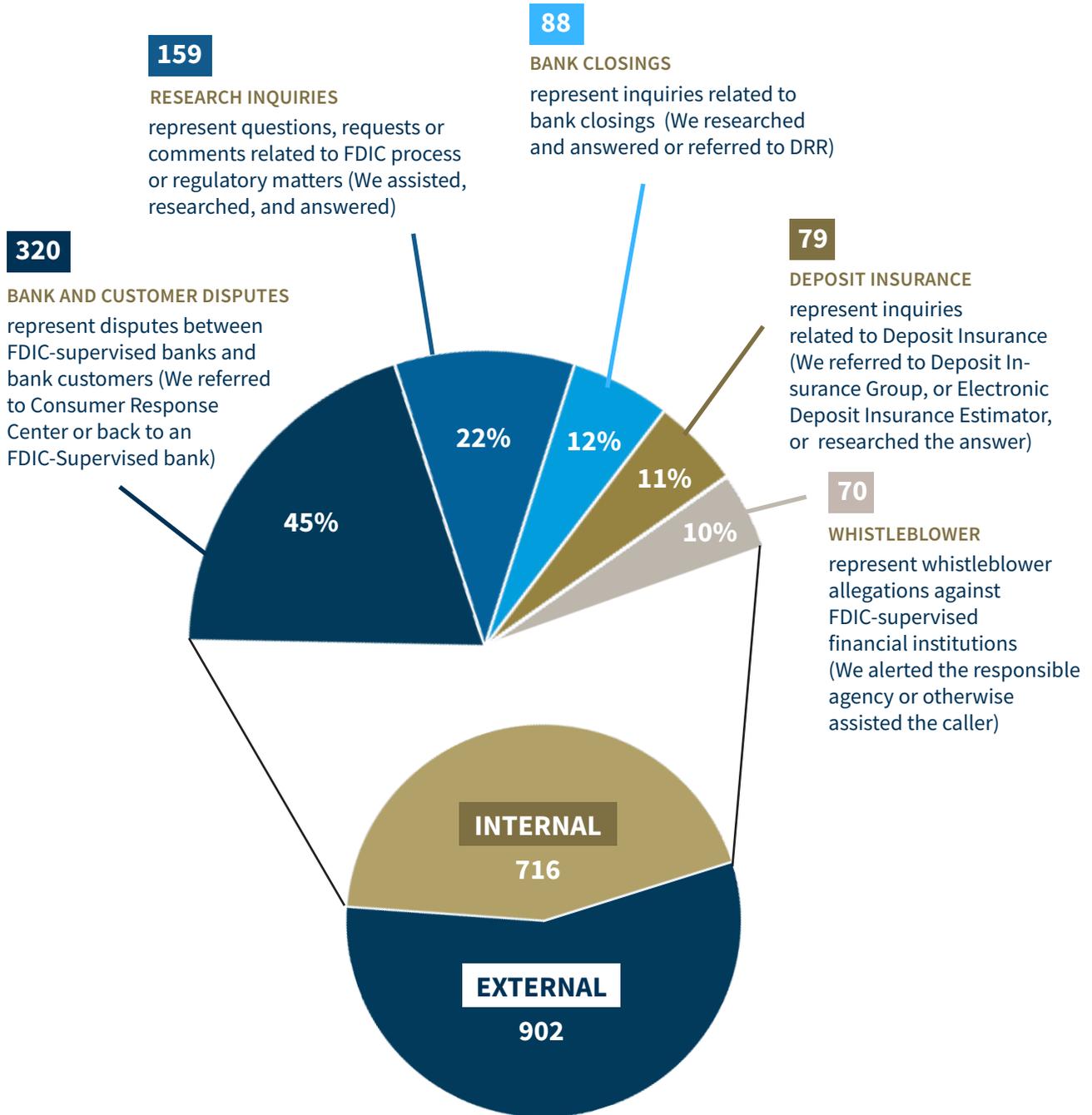


OMBUDSMAN'S OFFICE



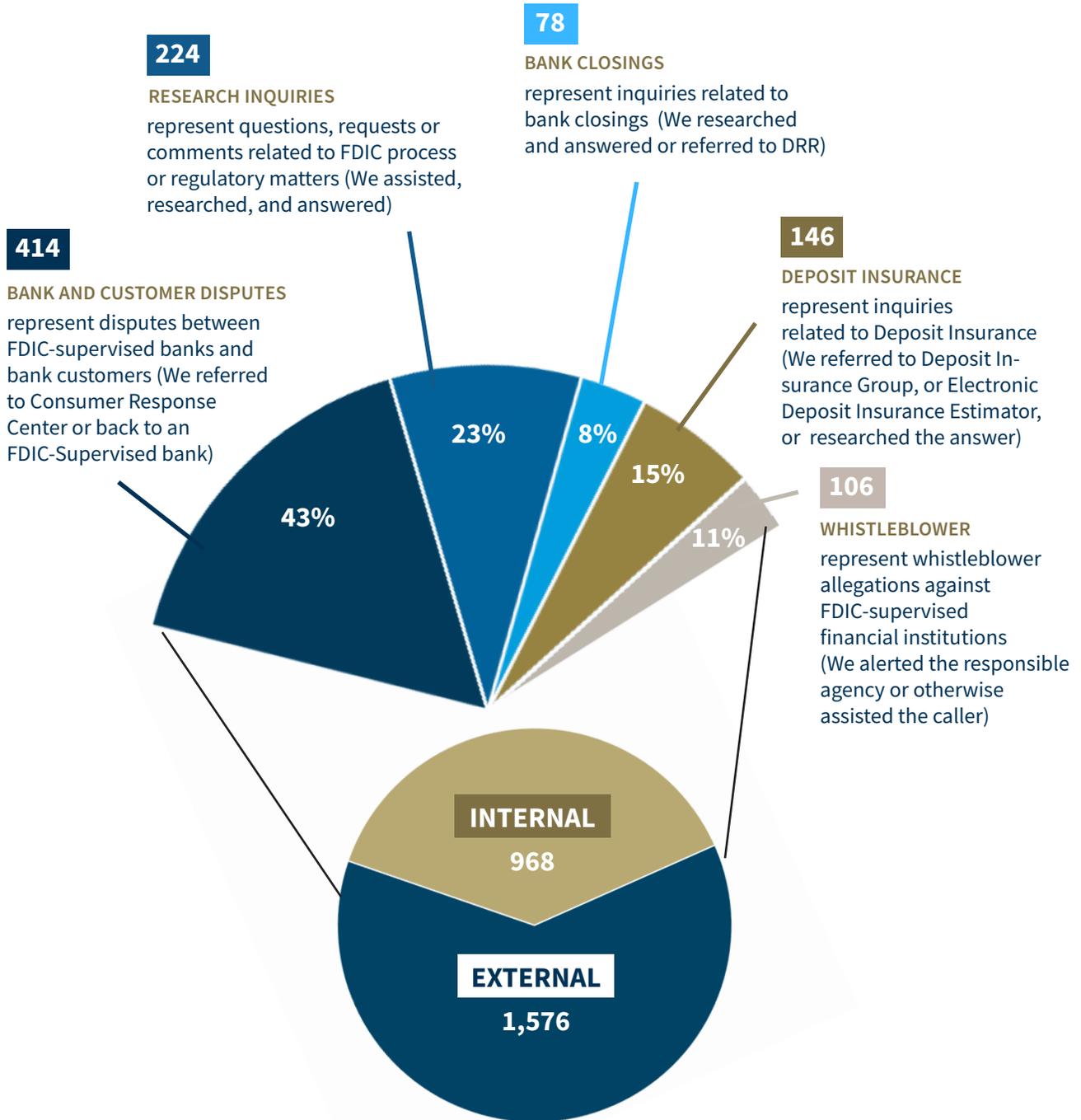
# FDIC Matters Resolved Internally: 2019

## CATEGORIES OF INTERNAL RESOLUTIONS



# FDIC Matters Resolved Internally: 2020

## CATEGORIES OF INTERNAL RESOLUTIONS



# Customer Satisfaction Survey

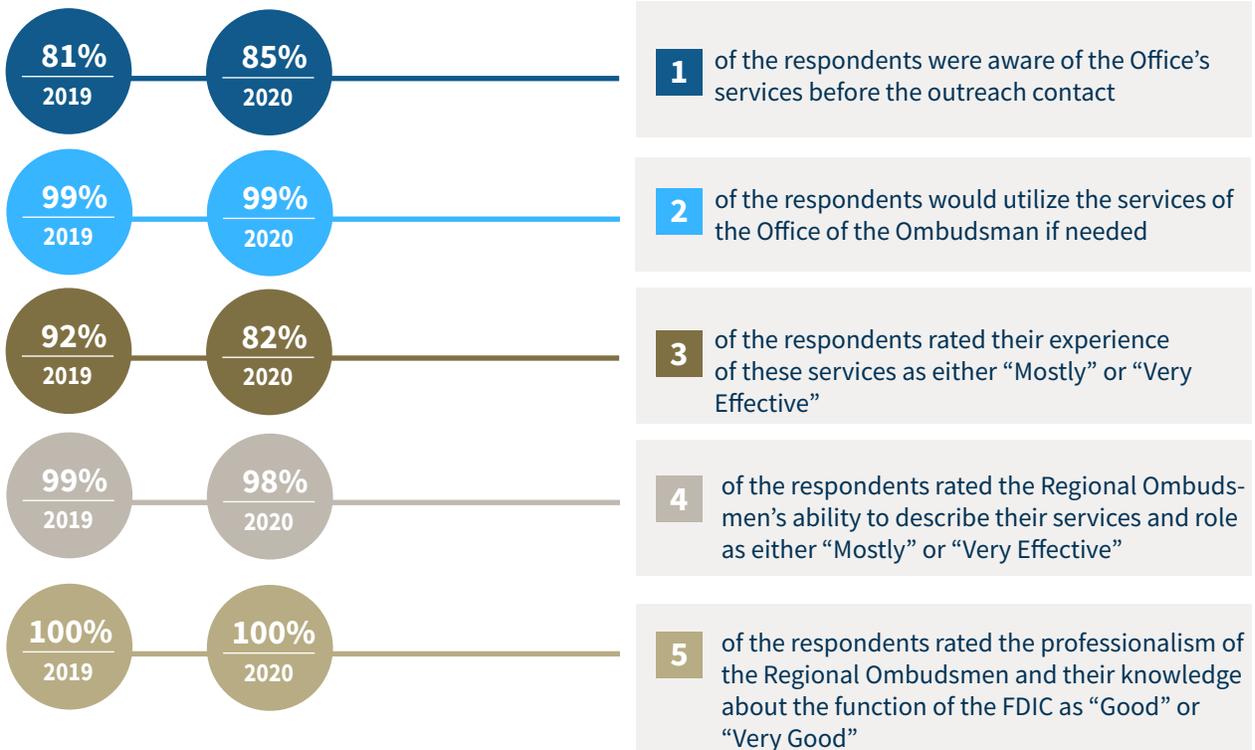
The Chief Executive Officer of a bank is invited to complete an online Customer Satisfaction Survey (“Survey”) after a Regional Ombudsman conducts an outreach contact with the bank.

The Survey is used to gather feedback on the effectiveness of the outreach program in promoting the awareness and services of this Office. Survey results are administered by the FDIC Division of Insurance and Research and provided to this Office, on an annual basis, without disclosing the identity of the individual banks that completed the Survey. For 2019 and 2020, 291 and 323 banks, respectively, were invited to participate in the survey. The Survey results are as follows:

**The Survey’s responses continue to indicate this Office’s overall success in conveying its message to the financial industry through outreach. Outreach also provides an important opportunity and means for bankers to communicate concerns directly to the FDIC.**

**614** TOTAL NUMBER OF BANKS INVITED TO PARTICIPATE IN THE 2019 AND 2020 SURVEYS

## FREQUENCY OF KEY SURVEY RESPONSES:



# Open-Ended Survey Responses



Chief Executive Officers of banks were invited to complete online Customer Satisfaction Surveys, including an opportunity to provide open-ended responses and feedback in the following categories:

## GENERAL FEEDBACK ON THE OUTREACH VISIT

### APPRECIATION FOR REPRESENTATIVE'S SERVICE

**“I appreciate the service that the Office of the Ombudsman provides to small community banks.”**

## FEEDBACK ON QUALITY OF THE OUTREACH VISIT

### HELPFUL VISIT OR ENJOYED MEETING

“We had a great conversation and dialogue regarding the industry, responsibilities, and past experiences with Examiners. At times, it is great to be reminded that we have access to the Ombudsman even if it may not be something we would think we need for some situations.”

“While I had heard of the Ombudsman’s Office, this visit gave me a better understanding of how it works in action and gave me a higher degree of comfort in using the service should the need arise in the future.”

## SURVEY FEEDBACK ON THE REPRESENTATIVE

### PROFESSIONAL, INFORMATIVE, OR GOOD LISTENER

**“The Regional Ombudsman was very personable and respectful of my time.”**

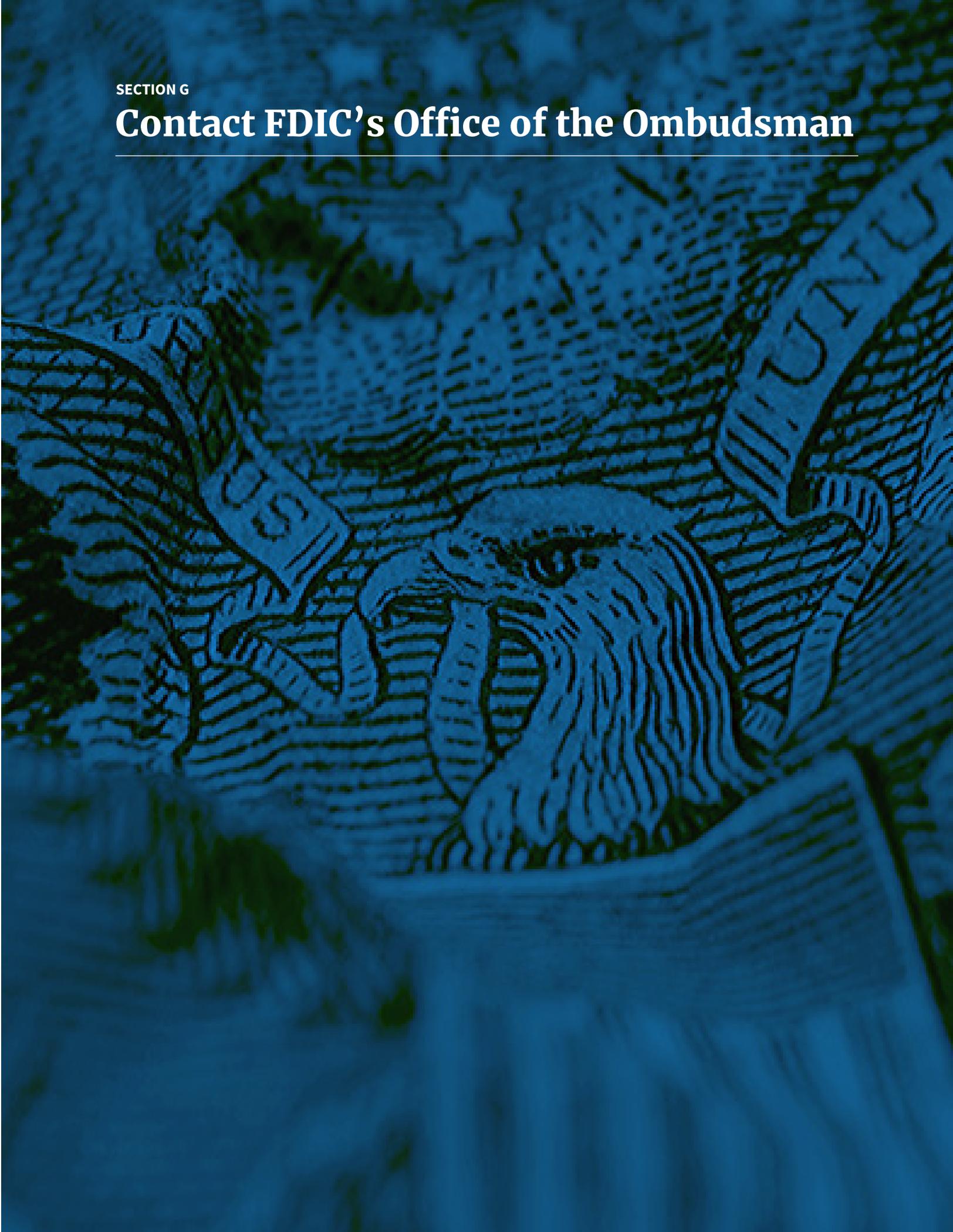
“The Regional Ombudsman has done an excellent job of reaching out to make us aware of services available. The Regional Ombudsman has been a good resource, and I am very pleased to know that I could contact the Regional Ombudsman in the event that it was necessary. We view our relationship with the FDIC as a partnership, and the Regional Ombudsman is an important role in the relationship!”

**“Representative was very knowledgeable and explained the services offered. Appreciate that the Regional Ombudsman took time to visit community banks in person.”**

SECTION G

# Contact FDIC's Office of the Ombudsman

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# General Contact Information

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## FEDERAL DEPOSIT INSURANCE CORPORATION (FDIC)

<https://www.fdic.gov/about/ombudsman/>

☎ (877) 275-3342

✉ [ombudsman@fdic.gov](mailto:ombudsman@fdic.gov)

The FDIC Office of the Ombudsman is a confidential, neutral and independent source of information and FDIC assistance to anyone affected by the FDIC in its regulatory, resolution, receivership, or asset disposition activities. If you have a problem or complaint with the FDIC that is not involved in litigation, arbitration, or mediation, you may contact the Office of the Ombudsman for confidential assistance. Our office will work with other FDIC divisions and offices as a liaison to address your issue.

# Senior Management

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## BIOGRAPHIES



Director  
**M. ANTHONY LOWE**

 (312) 382-6777  
 mlowe@fdic.gov

**HEADQUARTERS**  
3501 Fairfax Drive  
Arlington, VA 22226



Associate Ombudsman  
**AMY BROWN**

 (312) 382-6770  
 ambrown@fdic.gov

**HEADQUARTERS**  
3501 Fairfax Drive  
Arlington, VA 22226

Anthony joined the FDIC in 1985. He was appointed to his current position, FDIC Ombudsman and Director of the Office of the Ombudsman by the FDIC Board of Directors in May 2017. Prior to this appointment, Anthony served as an Assistant Regional Director, Deputy Regional Director, Case Manager, Bank Examiner, Bank Secrecy Act Subject Matter Expert, and Fraud Specialist. He also served as a Regional Director for the FDIC's Chicago Region for almost nine years. Anthony has led a major initiative relative to identifying strategies for improving the FDIC's oversight and technical assistance programs for minority depository institutions. Additionally, Anthony has made numerous presentations, on financial-related issues, to both large and small groups of bankers and regulators. He has also held discussions with international groups of senior level bankers and supervisors in Europe and Asia regarding problem bank and contingency planning issues. Anthony graduated from Arkansas State University with a degree in Finance. He graduated, with honors, from the Graduate School of Banking of the South at LSU, and attended the African-American Leadership Institute at UCLA.

Amy began her career with the FDIC in 1991 as a Risk Management Bank Examiner, served as a Supervisory Examiner, and assumed various roles before accepting her current position as Associate Ombudsman in 2019. Amy has completed many details and special assignments during her more than 28 years with the FDIC, including Acting Assistant Regional Director, Acting Case Manager, and Acting Field Supervisor. Amy has also served as an instructor at the FDIC core examination schools, Special Assistant to the Ombudsman, and as the Chairman of the Supervisory Examiner Council. Amy has a Bachelor's degree in Business Administration/ Finance from the University of Wisconsin-Whitewater, is a graduate of the Graduate School of Banking, Madison, Wisconsin, and is a Certified Organizational Ombudsman Practitioner (CO-OP®) by the International Ombudsman Association.

# Regional Ombudsmen



Regional Ombudsman  
**KIRK DANIELS**

(415) 808-8175  
kdaniels@fdic.gov

**SAN FRANCISCO REGION**  
25 Jessie St  
San Francisco, CA 94105

Alaska, Arizona, California,  
Hawaii, Idaho, Montana, Nevada,  
Oregon, Utah, Washington,  
Wyoming, Guam, and the  
Federated State of Micronesia



Regional Ombudsman  
**CHARMION HALEY**

(678) 916-2188  
chaley@fdic.gov

**ATLANTA REGION**  
10 10th Street NE  
Atlanta, GA 30309

Georgia, Alabama, Florida,  
South Carolina, North Carolina,  
West Virginia, and Virginia



Regional Ombudsman  
**BRENT KLANDERUD**

(816) 234-8532  
bklanderud@fdic.gov

**KANSAS CITY REGION**  
1100 Walnut St  
Kansas City, MO 64106

Iowa, Kansas, Minnesota,  
North Dakota, South Dakota,  
Missouri, and Nebraska



Regional Ombudsman  
**DAN MARCOTTE**

(312) 382-6908  
dmarcotte@fdic.gov

**CHICAGO REGION**  
300 South Riverside Plaza  
Chicago, IL 60606

Illinois, Indiana, Kentucky,  
Michigan, Ohio, and Wisconsin



Regional Ombudsman  
**SHERRYANN NELSON**

(917) 320-2532  
shnelson@fdic.gov

**NEW YORK REGION**  
350 5th Avenue  
New York, NY 10118

Connecticut, Delaware, District  
of Columbia, Maryland, Massa-  
chusetts, New Hampshire, New  
Jersey, New York, Maine, Pennsyl-  
vania, Puerto Rico, Rhode Island,  
Vermont, and Virgin Islands



Regional Ombudsman  
**MARVIN PAYNE**

(972) 761-2301  
mpayne@fdic.gov

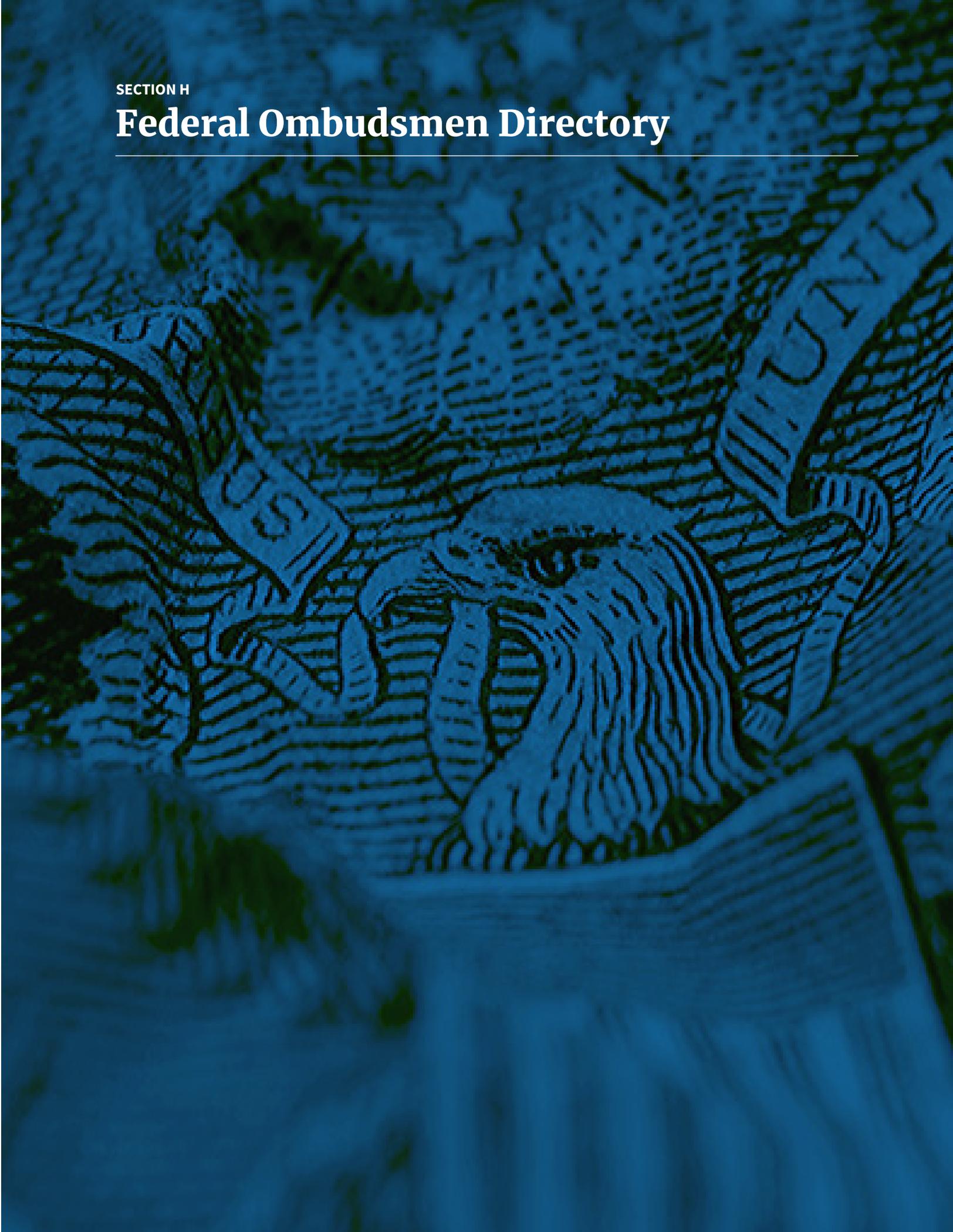
**DALLAS REGION**  
1601 Bryan St  
Dallas, TX 75201

Arkansas, Colorado, Louisiana,  
Mississippi, New Mexico, Texas,  
Oklahoma, and Tennessee

SECTION H

# Federal Ombudsmen Directory

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# Federal Ombudsmen Directory

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## OMBUDSMAN'S OFFICE

### CONSUMER FINANCIAL PROTECTION BUREAU (CFPB)

[www.consumerfinance.gov/ombudsman/](http://www.consumerfinance.gov/ombudsman/)

 (855) 830-7880

 CFPBOmbudsman@cfpb.gov

The CFPB Ombudsman's Office is an independent, impartial, and confidential resource that assists Ombudsman's consumers, financial entities, consumer or trade groups, and others in informally resolving process issues arising from CFPB activities. Contact us if you have not resolved your process issue after connecting with the CFPB directly, or to keep your concerns confidential. We may assist, for example, by: facilitating discussions, brainstorming options, and providing feedback and recommendations to the CFPB.



### FEDERAL RESERVE BOARD (FRB)

<https://www.federalreserve.gov/aboutthefed/ombudsman.htm>

 (800) 337-0429

 Ombudsman@frb.gov

The Ombudsman's office facilitates the fair and timely resolution of complaints related to the Federal Reserve System's regulatory activities. The Ombudsman serves as an independent, confidential resource for individuals and institutions that are affected by the Federal Reserve System's regulatory and supervisory actions.

# Federal Ombudsmen Directory

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## NATIONAL CREDIT UNION ADMINISTRATION (NCUA)

<https://www.ncua.gov/about-ncua/leadership>

(703) 518-1175  
ombudsman@ncua.gov

NCUA's Ombudsman reviews consumer complaints and recommends possible solutions. The issues generally result from process concerns. As a consumer, you may choose to bring your concern to the Ombudsman after attempting to obtain resolution from the NCUA Consumer Assistance Center.



## OFFICE OF THE COMPTROLLER OF THE CURRENCY (OCC)

<https://www.occ.gov/> See Dispute Resolution section

(202) 649-6800  
OCCOmbudsman@occ.treas.gov

Fair, Accessible, Reasonable The Office of the Comptroller of the Currency (OCC) appeals process for national banks and federal savings associations (collectively, banks) provides an independent, fair, and binding means of resolving disputes arising during the supervisory process; helps ensure the most sound supervision decisions possible; and promotes open, continuous communication between banks and the OCC.



## U.S. SECURITIES AND EXCHANGE COMMISSION (SEC)

<https://www.sec.gov/ombudsman>

(877) 732-2001  
Ombudsman@sec.gov

The SEC Ombudsman is a confidential, impartial, and independent resource who serves as a liaison to help individual investors — sometimes referred to as retail investors or Main Street investors— resolve problems they may have with the SEC or with the self-regulatory organizations the SEC oversees. The SEC Ombudsman also reviews and recommends policies and procedures to encourage persons to present questions and feedback about the securities laws, and establishes safeguards to maintain the confidentiality of communications between Individuals and the SEC Ombudsman.

ABOUT THE COVER PHOTO

# FDIC History



## G.L. GIANNETTI STUDIOS

1416 M Street, N.W., Washington, D.C.

The renowned and award-winning sculptures of Gregory L. “George” Giannetti, grace many historic buildings in Washington, D.C. including the White House, the U.S. Capitol, the State Department, the Smithsonian Institution, and American Embassies throughout the world. As a resident of Washington and Maryland for more than forty years, Giannetti was considered the subject matter expert in designing Presidential Seals for inaugural stands.

Respected for this unique expertise, Giannetti advised that the eagle on the Presidential Seal be changed to face right, rather than left. In 1945, President Harry Truman accepted this design change and the eagle was modified in an “about face” and displayed in this manner at the Washington Cathedral, the Marine Memorial, the State Department, and the Rayburn House Office Building.

*A special thank you to Robert “Bob” Giannetti and his family for sharing your Dad’s story, these historical photos and biography.*



FDIC's Graphic Design and Printing Unit  
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**“The Office of  
the Ombudsman  
is a vital arrow  
in the FDIC’s quiver.**

Please continue to dedicate the  
time and resources needed to  
keep this channel alive and well.”

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**ANONYMOUS FEEDBACK FROM THE  
2019 CUSTOMER SATISFACTION SURVEY**