

III. Performance Results Summary

Summary of 2007 Performance Results by Program

The FDIC successfully achieved 44 of the 46 annual performance targets established in its 2007 Annual Performance Plan. Two performance targets were not applicable. One related to rulemaking for Basel IA and the other related to making a decision on pursuit of potential professional liability claims within 18 months of failure of a financial institution. There were no instances in which 2007 performance had a material adverse effect on successful achievement of the FDIC's mission or its strategic goals and objectives regarding its major program responsibilities.

Key accomplishments by program are highlighted in the table below.

Program Area	Performance Results
Insurance	<ul style="list-style-type: none">• Completed substantial modifications to the agency's information systems in order to implement statutory and regulatory changes to risk-based premiums and to track insurance assessment credit use and availability for each insured institution.• Issued proposed and final guidance on how the FDIC will determine the need for limited adjustments to risk-based assessment rates for large institutions.• Completed three studies required by the Federal Deposit Insurance Reform Conforming Amendments Act of 2005:<ul style="list-style-type: none">• An evaluation of further possible changes to the deposit insurance system;• An evaluation of the feasibility of using alternatives to estimated insured deposits for designating and calculating the insurance fund reserve ratio; and• A review of the Corporation's policies and practices in establishing contingent loss reserves.• Completed reviews of the recent accuracy of the contingent loss reserves.• Established a Designated Reserve Ratio of 1.25 percent for 2008, in accordance with the provisions of the deposit insurance reform legislation.• Issued an Advance Notice of Proposed Rulemaking (ANPR) seeking comments on alternative methods for allocating dividends in order to develop a permanent final rule to implement the dividend requirements of the Reform Act.• Provided seminars for bankers, developed a guide on deposit insurance of revocable and irrevocable trust accounts and disseminated educational information and tools to consumers and bankers on FDIC deposit insurance coverage limits.• Completed risk assessments for all large insured depository institutions and followed up on all identified concerns through off-site review and analysis.• Conducted and published analysis on the effects of Hurricanes Katrina and Rita.• Published economic and banking information and analyses, through the <i>FDIC Quarterly</i> and the Center for Financial Research <i>Working Papers</i>.• Successfully managed the three financial institution failures that occurred during 2007.

Program Area	Performance Results (continued)
Supervision and Consumer Protection	<ul style="list-style-type: none"> • Conducted 2,258 safety and soundness examinations, including required follow-up examinations of problem institutions, within prescribed time frames. • Conducted 1,773 compliance and Community Reinvestment Act examinations, including required follow-up examinations of problem institutions, within prescribed time frames. • Performed off-site reviews of 1,350 institutions. • Published Notices of Proposed Rulemaking for Basel II and IA, and continued other analytical and preparatory activities related to the implementation of these new capital regulations. • Completed advanced certification requirements for more than 10 percent of BSA/AML subject-matter experts. • Conducted over 179 outreach and technical assistance events for bankers and community groups to promote awareness of community investment opportunities, access to capital, knowledge-sharing between the public and private sectors, and wealth building opportunities for families. • Continued to disseminate the award-winning <i>Money Smart</i> financial education curriculum in multiple languages, adding 90 <i>Money Smart</i> Alliance members; contacting over 330 schools, school systems and government entities regarding the availability of curriculum; reaching approximately 72,765 individuals through train-the-trainer sessions and the self-paced computer based instruction.
Receivership Management	<ul style="list-style-type: none"> • Terminated 12 of the 55 (22 percent) failed financial institution receiverships existing at the beginning of the year. • Began work on a new Claims Administration System (to be fully implemented in 2009). • No institution reached the 18-month milestone for professional liability claims investigation in 2007.

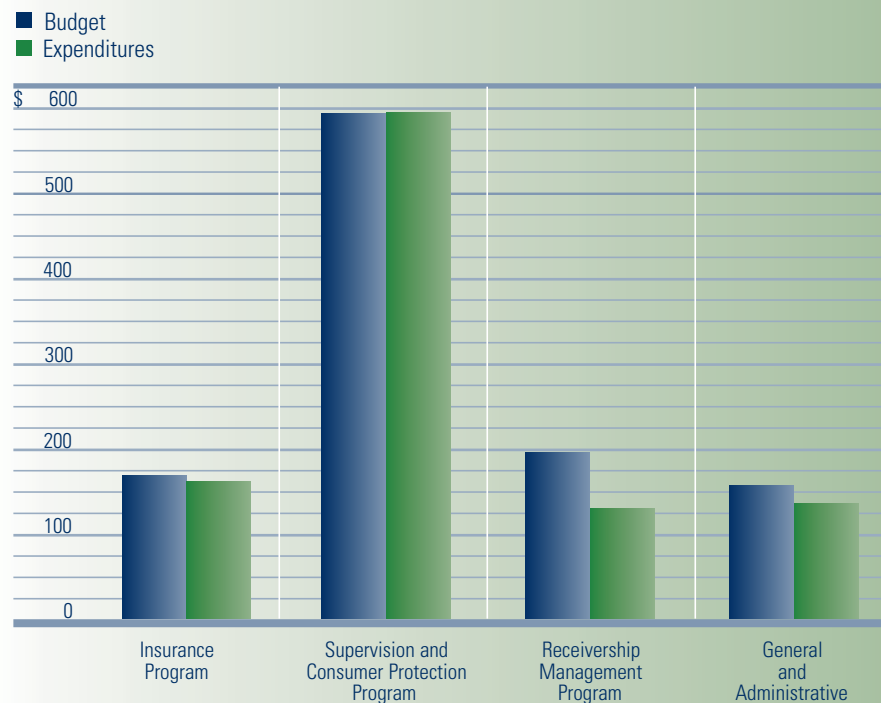
2007 Budget and Expenditures by Program (Excluding Investments)

The FDIC budget for 2007 totaled \$1.107 billion. Excluding \$155 million for Corporate General and Administrative expenditures, budget amounts were allocated to corporate programs and related goals as follows: \$166 million, or 15 percent, to the Insurance program; \$587 million, or 53 percent, to the Supervision and Consumer Protection program; and \$199 million, or 18 percent, to the Receivership Management program.

Actual expenditures for the year totaled \$1.002 billion. Excluding \$128 million for Corporate General and Administrative expenditures, actual expenditures were allocated to programs as follows: \$158 million, or 16 percent, to the Insurance program; \$589 million, or 59 percent, to the Supervision and Consumer Protection program; and \$127 million, or 13 percent, to the Receivership Management program.

2007 Budget and Expenditures (Support Allocated)

Dollars in Millions



Performance Results by Program and Strategic Goal

2007 Insurance Program Results

Strategic Goal: Insured depositors are protected from loss without recourse to taxpayer funding.

Annual Performance Goal	Indicator	Target	Results
1. Respond promptly to all financial institution closings and emerging issues.	Number of business days after institution failure that depositors have access to insured funds either through transfer of deposits to successor insured depository institution or depositor payout.	Provide access to insured funds in one business day if the failure occurs on a Friday. Provide access to insured funds in two business days if the failure occurs on any other day of the week.	Achieved. See pg. 29. Achieved. See pg. 29.
	Enhancement of FDIC capabilities to make a deposit insurance determination for a large-bank failure.	Review comments received in response to the 2006 Advance Notice of Proposed Rulemaking (ANPR) and publish a Notice of Proposed Rulemaking on Large-Bank Deposit Insurance Determination Modernization in 2007.	Achieved. See pg. 30.
	2. Identify and address risks to the Deposit Insurance Fund (DIF).	Insurance risks posed by large insured depository institutions.	Assess the insurance risks in 100 percent of insured depository institutions and adopt appropriate strategies.
Concerns referred for examination or other action.		Identify and follow up on 100 percent of material issues raised through off-site review and analysis.	Achieved. See pg. 40.
Emerging risks to the DIF.		Identify and review the emerging areas of risk, including mortgage lending, hedge funds, commercial real estate lending, derivatives, money laundering, illicit financial transactions and the international operations of insured depository institutions.	Achieved. See pgs. 14, 15, 20-21.
		Address potential risks from cross-border banking instability through coordinated review of critical issues and, where appropriate, agreements with key authorities.	Achieved. See pgs. 20, 21, 28.

2007 Insurance Program Results (continued)

Strategic Goal: Insured depositors are protected from loss without recourse to taxpayer funding.

Annual Performance Goal	Indicator	Target	Results
<p>3. Disseminate data and analyses on issues and risks affecting the financial services industry to bankers, supervisors, the public and other stakeholders.</p>	<p>Scope and timeliness of information dissemination on identified or potential issues and risks.</p>	<p>Results of research and analyses are disseminated in a timely manner through regular publications, ad hoc reports and other means.</p> <p>Industry outreach activities are undertaken to inform bankers and other stakeholders about current trends, concerns and other available FDIC resources.</p>	<p>Achieved. See pgs. 14, 15, 40.</p> <p>Achieved. See pgs. 21, 26.</p>
<p>4. Maintain and improve the deposit insurance system.</p>	<p>Implementation of deposit insurance reform.</p> <p>Loss reserves.</p> <p>Fund adequacy.</p>	<p>Implement the new deposit insurance pricing system.</p> <p>Complete and issue guidance on the pricing of deposit insurance for large banks.</p> <p>Publish an ANPR seeking comment on a permanent dividend system.</p> <p>Enhance the effectiveness of the reserving methodology by applying sophisticated analytical techniques to review variances between projected losses and actual losses, and by adjusting the methodology accordingly.</p> <p>Set assessment rates to maintain the insurance fund reserve ratio between 1.15 and 1.50 percent of estimated insured deposits.</p>	<p>Achieved. See pgs. 12-13.</p> <p>Achieved. See pgs. 12-13.</p> <p>Achieved. See pgs. 13, 40.</p> <p>Achieved. See pgs. 13, 40.</p> <p>Achieved. See pg. 40.</p>

2007 Insurance Program Results (continued)

Strategic Goal: Insured depositors are protected from loss without recourse to taxpayer funding.

Annual Performance Goal	Indicator	Target	Results
<p>5. Provide educational information to insured depository institutions and their customers to help them understand the rules for determining the amount of insurance coverage on deposit accounts.</p>	<p>Timeliness of responses to insurance coverage inquiries.</p>	<p>Respond to 90 percent of inquiries from consumers and bankers about FDIC deposit insurance coverage within time frames established by policy.</p>	<p>Achieved. See pg. 27.</p>
	<p>Utility of educational tools available to bankers and consumers.</p>	<p>Publish a comprehensive and authoritative resource guide for bankers, attorneys, financial advisors and similar professionals on the FDIC's rules and requirements for deposit insurance coverage of revocable and irrevocable trust accounts.</p>	<p>Achieved. See pgs. 26-27.</p>
		<p>Conduct a series of national teleconferences for insured financial institutions to address current questions and issues relating to FDIC insurance coverage of deposit accounts.</p>	<p>Achieved. See pg. 26.</p>
<p>6. Expand and strengthen the FDIC's leadership role in providing technical guidance, training, consulting services and information to international governmental banking and deposit insurance organizations.</p>	<p>Scope of information sharing and assistance available to international banking and deposit insurance entities.</p>	<p>Undertake global outreach activities to inform and train foreign bank regulators and deposit insurers.</p>	<p>Achieved. See pgs. 28-29.</p>
		<p>Foster strong relationships with international banking regulators and associations that promote sound banking policies in order to provide leadership and guidance in global banking supervision and regulations, failure resolution and deposit insurance.</p>	<p>Achieved. See pgs. 28-29.</p>

2007 Supervision and Consumer Protection Program Results

Strategic Goal: FDIC-supervised institutions are safe and sound.

Annual Performance Goal	Indicator	Target	Results
1. Conduct on-site risk management examinations to assess the overall financial condition, management practices and policies, and compliance with applicable laws and regulations of FDIC-supervised depository institutions.	Percentage of required examinations conducted in accordance with statutory requirements and FDIC policy.	One hundred percent of required risk management examinations (including reviews of information technology (IT) and Bank Secrecy Act (BSA) compliance) are conducted on schedule.	Achieved. See pg. 16.
2. Take prompt and effective supervisory action to address issues identified during the FDIC examination of FDIC-supervised institutions that receive a composite Uniform Financial Institutions Rating of "4" or "5" (problem institutions). Monitor FDIC-supervised insured depository institutions' compliance with formal and informal enforcement actions.	Percentage of follow-up examinations of problem institutions conducted within required time frames.	One hundred percent of follow-up examinations are conducted within 12 months of completion of the prior examination.	Achieved. See pg. 16.
3. Increase regulatory knowledge to keep abreast of current issues related to money laundering and terrorist financing.	Certification of BSA/AML subject-matter experts.	An additional 10 percent of BSA/AML subject-matter experts nationwide are certified under the Association of Certified Anti-Money Laundering Specialists certification program.	Achieved. See pg. 21.
4. More closely align regulatory capital with risk in large or multinational banks while maintaining capital at prudential levels.	Continuation of preparatory activities related to the implementation of the new Basel Capital Accord (Basel II).	<p>Further develop the Basel II framework to ensure that it does not result in a substantial reduction in risk-based capital requirements or significant competitive inequities among different classes of banks. Consider alternative approaches for implementing the Basel Capital Accord.</p> <p>Participate in the continuing analysis of the projected results of the new capital regime.</p> <p>Promote international cooperation on the adoption of supplemental capital measures in countries that will be operating under Basel II.</p>	<p>Achieved. See pgs. 13-14.</p> <p>Achieved. See pg. 14.</p> <p>Achieved. See pg. 13.</p>

2007 Supervision and Consumer Protection Program Results (continued)

Strategic Goal: FDIC-supervised institutions are safe and sound.

Annual Performance Goal	Indicator	Target	Results
5. More closely align regulatory capital with risk in banks not subject to Basel II capital rules while maintaining capital at prudential levels.	Development of a revised capital framework proposal for institutions not subject to Basel II.	Complete rulemaking on Basel IA.	Not Applicable. See pg. 14.
6. Ensure that FDIC-supervised institutions that plan to operate under the new Basel II Capital Accord are well positioned to respond to new capital requirements.	Percentage of on-site examinations or off-site analyses performed.	On-site examinations or off-site analyses are performed for all FDIC-supervised banks that intend to operate under Basel II to ensure that they are effectively working toward meeting required qualification standards.	Achieved. See pg. 14.
7. Reduce regulatory burden on the banking industry while maintaining appropriate consumer protection and safety and soundness safeguards.	Implementation of regulatory burden reduction legislation.	Applicable provisions of the Financial Services Regulatory Relief Act of 2006 (FSRRA) are implemented in accordance with statutory requirements.	Partially Achieved. See pg. 18.
	Utilization of state anti-money laundering (AML) regulatory assessments of Money Service Businesses (MSBs) in FDIC risk management examinations.	Support is provided to the Government Accountability Office (GAO), as requested, for studies required under FSRRA. State AML assessments of MSBs are incorporated into FDIC risk management examinations in states where MSB AML regulatory programs are consistent with FDIC risk management standards.	Achieved. See pg. 18. Partially Achieved. See pg. 21.

Strategic Goal: Consumers' rights are protected and FDIC-supervised institutions invest in their communities.

Annual Performance Goal	Indicator	Target	Results
8. Conduct CRA and compliance examinations in accordance with the FDIC's examination frequency policy.	Percentage of examinations conducted in accordance with required time frames.	One hundred percent of required examinations are conducted within time frames established by FDIC policy.	Achieved. See pg. 16.

2007 Supervision and Consumer Protection Program Results (continued)

Strategic Goal: Consumers' rights are protected and FDIC-supervised institutions invest in their communities.

Annual Performance Goal	Indicator	Target	Results
9. Take prompt and effective supervisory action to monitor and address problems identified during compliance examinations of FDIC-supervised institutions that receive a "4" or "5" rating for compliance with consumer protection and fair lending laws.	Percentage of follow-up examinations or related activities conducted within required time frames.	One hundred percent of follow-up examinations or related activities are conducted within 12 months from the date of a formal enforcement action to confirm that the institution is in compliance with the enforcement action.	Achieved. See pg. 16.
10. Determine the need for changes in current FDIC practices for following up on actions on significant violations of consumer compliance laws and regulations identified during examinations of banks for compliance with consumer protection and fair lending laws.	Completion of analysis and evaluation of current practices.	An analysis is completed for all institutions on the prevalence and scope of repeat instances of significant violations from the previous compliance examination. A determination is made regarding the need for changes to current FDIC and FFIEC guidance on follow-up supervisory action on significant violations identified during compliance examinations, based on the substance and level of risk posed to consumers by these repeat violations.	Achieved. See pg. 17. Achieved. See pg. 17.
11. Effectively meet the statutory mandate to investigate and respond to consumer complaints about FDIC-supervised financial institutions.	Timely responses to written complaints.	Responses are provided to 90 percent of written complaints within time frames established by policy.	Achieved. See pg. 26.

2007 Supervision and Consumer Protection Program Results (continued)

Strategic Goal: Consumers' rights are protected and FDIC-supervised institutions invest in their communities.

Annual Performance Goal	Indicator	Target	Results
<p>12. Provide effective outreach and technical assistance on topics related to the CRA, fair lending, and community development.</p>	<p>Number of individuals taking a <i>Money Smart</i> class or using the self-paced curriculum.</p>	<p>200,000 additional individuals are taught using the <i>Money Smart</i> curriculum.</p>	<p>Achieved. See pg. 27.</p>
	<p>Dissemination of information that promotes expanded use of insured financial institutions by segments of the U.S. population that are currently underserved by those institutions.</p>	<p>120 school systems and government entities are contacted to make them aware of the availability of <i>Money Smart</i> as a tool to teach financial education to high school students.</p>	<p>Achieved. See pg. 27.</p>
	<p>Dissemination of information that promotes expanded use of insured financial institutions by segments of the U.S. population that are currently underserved by those institutions.</p>	<p>A review of existing risk management and compliance/ CRA examination guidelines and practices is completed to ensure that they encourage and support the efforts of insured financial institutions to foster economic inclusion, consistent with safe and sound banking practices.</p>	<p>Achieved. See pgs. 22-23.</p>
	<p>Dissemination of information that promotes expanded use of insured financial institutions by segments of the U.S. population that are currently underserved by those institutions.</p>	<p>A pilot project is conducted with banks near military installations to provide small-dollar loan alternatives to high-cost payday lending.</p>	<p>Not Achieved. See pg. 23.</p>
	<p>Dissemination of information that promotes expanded use of insured financial institutions by segments of the U.S. population that are currently underserved by those institutions.</p>	<p>Strategies are developed and implemented to encourage FDIC-supervised institutions to offer small-denomination loan programs.</p>	<p>Achieved. See pg. 23.</p>
	<p>Dissemination of information that promotes expanded use of insured financial institutions by segments of the U.S. population that are currently underserved by those institutions.</p>	<p>Research is conducted and findings disseminated on programs and strategies to encourage and promote broader economic inclusion within the nation's banking system.</p>	<p>Achieved. See pgs. 23-24.</p>
	<p>Number of outreach activities conducted, including technical assistance activities.</p>	<p>125 technical assistance (examination support) efforts or banker/community outreach activities are conducted related to CRA, fair lending, or community development.</p>	<p>Achieved. See pg. 27.</p>

2007 Receivership Management Program Results

Strategic Goal: Recovery to creditors of receivership is achieved.

Annual Performance Goal	Indicator	Target	Results
1. Market failing institutions to all known qualified and interested potential bidders.	List of qualified and interested bidders.	Contact all known qualified and interested bidders.	Achieved. See pg. 30.
2. Value, manage, and market assets of failed institutions and their subsidiaries in a timely manner to maximize net return.	Percentage of failed institution's assets marketed.	Ninety percent of the book value of a failed institution's marketable assets are marketed within 90 days of failure.	Achieved. See pg. 30.
3. Manage the receivership estate and its subsidiaries toward an orderly termination.	Timely termination of new receiverships.	Terminate all receiverships within 90 days of the resolution of all impediments.	Achieved. See pgs. 30, 40.
4. Conduct investigations into all potential professional liability claim areas in all failed insured depository institutions and decide as promptly as possible to close or pursue each claim, considering the size and complexity of the institution.	Percentage of investigated claim areas for which a decision has been made to close or pursue the claim.	For 80 percent of all claim areas, a decision is made to close or pursue claims within 18 months of the failure date.	Not Applicable. No claims within the 18-month period. See pg. 41.

Prior Years' Performance Results

Refer to the respective full Annual Report of prior years for more information on performance results for those years. (Shaded area indicates no such target existed for that respective year.)

Insurance Program Results

Strategic Goal: Insured depositors are protected from loss without recourse to taxpayer funding.

Annual Performance Goals and Targets	2006	2005	2004
1. Respond promptly to all financial institution closings and emerging issues.			
If the failure occurs on a Friday, the target is one business day.	Not Applicable. No Failures.	Not Applicable. No Failures.	Achieved.
If a failure occurs on any other day of the week, the target is two business days.	Not Applicable. No Failures.	Not Applicable. No Failures.	Not Applicable. All failures occurred on a Friday.
Review comments received from the advance notice of proposed rulemaking on Large-Bank Deposit Insurance Determination Modernization, consult with stakeholders, and make a determination on how to proceed.	Achieved.		
2. Identify and address risks to the insurance funds.			
Assess the insurance risks in 100 percent of large insured depository institutions and adopt appropriate strategies.	Achieved.	Achieved.	Achieved.
Identify and follow up on 100 percent of issues raised through off-site review and analysis.	Achieved.		
Identify and follow up on 100 percent of referrals.		Achieved.	Achieved.
Analyses are included in regular publications or as ad hoc reports on a timely basis.			Achieved.
Conduct industry outreach activities aimed at the banking community and industry trade groups to discuss current trends and concerns and to inform bankers about available FDIC resources.			Achieved.
3. Maintain sufficient and reliable information on insured depository institutions.			
Implement a modernized Call Reporting process during the second Call Reporting period in 2005.		Not Achieved.	
Implement a modernized Call Reporting process by December 31, 2004.			Not Achieved.
4. Disseminate data and analyses on issues and risks affecting the financial services industry to bankers, supervisors, the public and other stakeholders.			
Results of research and analyses are disseminated in a timely manner through regular publications, ad hoc reports and other means.	Achieved.	Achieved.	
Industry outreach activities are undertaken to inform bankers and other stakeholders about current trends, concerns and other available FDIC resources.	Achieved.	Achieved.	

Insurance Program Results (continued)

Strategic Goal: Insured depositors are protected from loss without recourse to taxpayer funding.

Annual Performance Goals and Targets	2006	2005	2004
5. Maintain and improve the deposit insurance system.			
Develop and implement an assessment credit and dividends system and a new deposit insurance pricing system.	Achieved.		
Implement deposit insurance reform legislation in accordance with statutorily prescribed time frames.	Achieved.	Not Applicable. Legislation enacted Feb. 8, 2006.	Not Applicable. Legislation not enacted in 2004.
Provide information and analysis to Congressional committees in support of deposit insurance reform legislation.		Achieved.	Achieved.
Obtain legislative support for a proposed assessment credit and rebate system and a new deposit insurance pricing system.		Achieved.	Achieved.
Enhance the effectiveness of the reserving methodology by applying sophisticated analytical techniques to review variances between projected losses and actual losses, and by adjusting the methodology accordingly.	Achieved.	Achieved.	Achieved.
Set assessment rates to maintain the insurance fund reserve ratio between 1.15 and 1.50 percent of estimated insured deposits.	Achieved.		
Set assessment rates to maintain the insurance funds at the designated reserve ratio (DRR), or return them to the DRR if they fall below it, as required by statute.		Achieved.	Achieved.
When deposit insurance reform legislation is enacted, promulgate rules and regulations establishing criteria for replenishing the Deposit Insurance Fund when it falls below the low end of the range.		Not Applicable. Legislation enacted Feb. 8, 2006.	Not Applicable. Legislation not enacted in 2004.
Enhance the working prototype of the integrated fund model for financial risk management.		Achieved.	
Develop a working prototype of a new, integrated fund model for financial risk management.			Achieved.
Host conference, present findings from the study and obtain feedback from scholars and industry representatives and other interested parties.			Not Achieved.
Implement an FDIC Center for Financial Research with enhanced ties to the academic community.			Achieved.
Implement enhancements to the reserving process and methodology in accordance with recommendations from a comprehensive 2003 review.			Achieved.

Insurance Program Results (continued)

Strategic Goal: Insured depositors are protected from loss without recourse to taxpayer funding.

Annual Performance Goals and Targets	2006	2005	2004
<p>6. Provide educational information to insured depository institutions and their customers to help them understand the rules for determining the amount of insurance coverage on deposit accounts.</p> <p>Update <i>Insuring Your Deposits</i> (basic deposit insurance brochure for consumers), <i>Your Insured Deposit</i> (comprehensive deposit insurance brochure), and EDIE (Electronic Deposit Insurance Estimator) on the FDIC Web site to reflect changes resulting from enactment of deposit insurance legislation.</p>	Achieved.		
Update the consumer version of the EDIE (Electronic Deposit Insurance Estimator) located on the FDIC's Web site.		Achieved.	
Develop and make available to the public an updated Spanish language version of EDIE reflecting deposit insurance reform.	Achieved.		
Develop and make available to the public a Spanish language version of the FDIC's 30-minute video on deposit insurance coverage.	Achieved.		
Respond to 90 percent of inquiries from consumers and bankers about FDIC deposit insurance coverage within time frames established by policy.	Achieved.		
Respond to 90 percent of written inquiries within time frames established by policy.	Achieved.		
Develop a CD-ROM and Internet-based resource for bankers on the deposit insurance rules.			Achieved.

Supervision and Consumer Protection Program Results

Strategic Goal: FDIC-supervised institutions are safe and sound.

Annual Performance Goals and Targets	2006	2005	2004
<p>1. Conduct on-site risk management examinations to assess the overall financial condition, management practices and policies, and compliance with applicable laws and regulations of FDIC-supervised depository institutions.</p> <p>One hundred percent of required risk management examinations (including a review for Bank Secrecy Act (BSA) compliance) are conducted on schedule.</p>	Achieved.	Achieved.	Achieved. (Excludes BSA.)

Supervision and Consumer Protection Program Results (continued)

Strategic Goal: FDIC-supervised institutions are safe and sound.

Annual Performance Goals and Targets	2006	2005	2004
<p>2. Take prompt and effective supervisory action to address issues identified during the FDIC examination of FDIC-supervised institutions that receive a composite Uniform Financial Institutions Rating of "4" or "5" (problem institutions.) Monitor FDIC-supervised insured depository institutions' compliance with formal and informal enforcement actions.</p> <p>One hundred percent of follow-up examinations are conducted within 12 months of completion of the prior examination.</p>	Achieved.	Achieved.	Achieved.
<p>3. Increase regulatory knowledge to keep abreast of current issues related to money laundering and terrorist financing.</p> <p>At least 10 percent of BSA/AML subject-matter experts nationwide are certified under the Association of Certified Anti-Money Laundering Specialists certification program.</p>	Achieved.		
<p>4. Increase industry and regulatory awareness of emerging/high-risk areas.</p> <p>The number of trained BSA/AML subject-matter experts increased to 300.</p> <p>Advanced training is completed for all BSA/AML subject-matter experts.</p> <p>At least one outreach session per region.</p>		Achieved.	
<p>5. More closely align regulatory capital with risk in large or multinational banks.</p> <p>Publish a Notice of Proposed Rulemaking (NPR).</p> <p>Participate in the continuing analysis of the projected results of the new capital regime.</p> <p>Notice of Proposed Rulemaking (NPR) and associated examination guidance for implementing the new Basel Capital Accord are published for comment.</p> <p>Quantitative Impact Study 4 is completed.</p>	Achieved.	Achieved.	
<p>6. More closely align regulatory capital with risk in banks not subject to Basel II capital rules.</p> <p>Develop a Notice of Proposed Rulemaking (NPR) for public issuance.</p>	Achieved.		
<p>7. Ensure that FDIC-supervised institutions that plan to operate under the new Basel Capital Accord are making satisfactory progress toward meeting required qualification standards.</p> <p>On-site examinations or off-site analyses are performed for all FDIC-supervised banks that intend to operate under Basel II to ensure that they are effectively working toward meeting required qualification standards.</p>	Achieved.	Achieved.	

Supervision and Consumer Protection Program Results (continued)

Strategic Goal: Consumers' rights are protected and FDIC-supervised institutions invest in their communities.

Annual Performance Goals and Targets	2006	2005	2004
<p>1. Conduct CRA and compliance examinations in accordance with the FDIC's examination frequency policy. One hundred percent of required examinations are conducted within time frames established by FDIC policy.</p>	Achieved.	Achieved.	Achieved.
<p>2. Take prompt and effective supervisory action to monitor and address problems identified during compliance examinations of FDIC-supervised institutions that received a "4" or "5" rating for compliance with consumer protection and fair lending laws. One hundred percent of follow-up examinations or related activities are conducted within 12 months from the date of a formal enforcement action to confirm that the institution is in compliance with the enforcement action.</p>	Achieved.	Achieved.	Achieved.
<p>3. Provide effective outreach and technical assistance on topics related to the CRA, fair lending, and community development.</p> <p>200,000 additional individuals are taught using the <i>Money Smart</i> curriculum.</p> <p>125 technical assistance (examination support) efforts or banker/ community outreach activities are conducted related to CRA, fair lending, or community development.</p> <p>200 additional members are added to the <i>Money Smart</i> Alliance.</p> <p>20,000 additional copies of the <i>Money Smart</i> curricula are distributed.</p>	Achieved.	Achieved.	Achieved.
<p>4. Effectively meet the statutory mandate to investigate and respond to consumer complaints about FDIC-supervised financial institutions. Responses are provided to 90 percent of written complaints within time frames established by policy.</p>	Achieved.	Achieved.	Achieved.

Receivership Management Program Results

Strategic Goal: Recovery to creditors of receivership is achieved.

Annual Performance Goals and Targets	2006	2005	2004
1. Market failing institutions to all known qualified and interested potential bidders. Contact all known qualified and interested bidders.	Not Applicable. No Failures.	Not Applicable. No Failures.	Achieved.
2. Value, manage, and market assets of failed institutions and their subsidiaries in a timely manner to maximize net return. Ninety percent of the book value of a failed institution's marketable assets are marketed within 90 days of failure. Eighty-five percent of book value of a failed institution's marketable assets are marketed within 90 days of failure.	Not Applicable. No Failures.	Not Applicable. No Failures.	Achieved.
3. Manage the receivership estate and its subsidiaries toward an orderly termination. Terminate all receiverships within 90 days of the resolution of all impediments. Inactivate 75 percent of receiverships managed through the Receivership Oversight Program within three years of the failure date.	Achieved.	Not Achieved.	Achieved.
4. Conduct investigations into all potential professional liability claim areas in all failed insured depository institutions and decide as promptly as possible to close or pursue each claim, considering the size and complexity of the institution. For 80 percent of all claim areas, a decision is made to close or pursue claims within 18 months of the failure date.	Not Applicable. No Failures.	Achieved.	Achieved.

Program evaluations are designed to improve the operational effectiveness of FDIC's programs and ensure that objectives are met. These evaluations are often led by the Office of Enterprise Risk Management and are generally interdivisional, collaborative efforts involving management and staff from the affected program(s).

The Corporation's 2007 Annual Performance Plan contained several objectives aimed at ensuring that the FDIC would continue to address issues associated with implementation of Deposit Insurance Reform and continue its commitment to enhance systems security, privacy, and project management efforts. The following are the results of the Corporation's program evaluation activities for 2007.

The FDIC issued clarifying guidance on its authority to enforce conditions imposed in connection with deposit insurance applications, notices and requests. This guidance ensured consistency in reviewing proposals involving a change in bank control and the appropriateness of recommending conditions that are similar in nature and language to conditions imposed in deposit insurance applications.

The FDIC addressed several remaining Deposit Insurance Reform issues in 2007. Deposit Insurance Reform directly impacted the business process of assessments invoicing and collection, and forced major changes to the Assessment Invoice Management System (AIMS) and the FDIC*connect* interface. Significant upgrades were implemented in AIMS including a new pricing scheme, payment in arrears process, interim dividend process, one-time credit process, and a mechanism for tracking and reporting on the average deposit base.

In the third quarter of 2007, two Post Project Reviews (PPRs) were conducted. Their purpose is to improve the Corporation's future systems development efforts by reviewing recently implemented projects. Among the several significant reviews completed in 2007 were Phase Four of the Virtual Supervisory Information on the Net (ViSION) and the FDIC's New Financial Environment. PPRs currently underway include the Central Data Repository (CDR) and the Corporate Human Resources Information System Time and Attendance (CHRIS T&A). Both the CDR and CHRIS T&A PPRs are scheduled for completion in the first quarter of 2008.

In the area of systems security, the FDIC focused on mission-critical information systems and applications. The Corporation strengthened its procedures for securing and disposing of electronic data collected during examinations and using encryption to protect confidential/sensitive data. Further, the Corporation enacted measures to protect the privacy of personally-identifiable information (PII), including requiring mandatory Web-based privacy awareness training for employees and contractors, conducting Privacy Impact Assessments (PIAs) on systems identified as containing PII, and purging Social Security numbers from paper documents and automated systems files in certain program areas. The Corporation initiated a major security project during 2007 to review access to and to determine the continuing need for existing shared network folders. Those folders deemed necessary for ongoing operations will be reviewed for sensitive information and flagged with appropriate access rights. The remainder will be archived with restricted access. The first step of this project was completed in 2007 and resulted in access restrictions to domain users. The project will continue and be tracked as a Corporate Performance Objective in 2008.

The Corporation developed policies and procedures to ensure consistent implementation of and oversight for using Memoranda of Understanding and Interagency Agreements. This included expanding their use to promote the exchange of technical information with foreign banking authorities, foreign central banks and banking regulators.

Program evaluation activities in 2008 will focus on key corporate issues, including addressing privacy issues, shared folder access and security, and asset management. Of particular importance in 2008 is upgrading the FDIC's New Financial Environment, an integrated state-of-the-art financial management system.