



**Federal Deposit Insurance Corporation**  
550 17th Street NW, Washington, D.C. 20429-9990

**Financial Institution Letter**  
**FIL-91-2008**  
**September 16, 2008**

## LETTER TO STAKEHOLDERS

### Second Quarter 2008 Edition of FDIC's Letter to Stakeholders

**Summary:** The FDIC has issued the attached Letter to Stakeholders from FDIC Chairman Sheila Bair, which reports on the FDIC's activities and accomplishments during the second quarter of 2008.

**Distribution:**  
FDIC-Insured Institutions

**Suggested Routing:**  
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**Related Topics:**  
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**Attachment:**  
Letter to Stakeholders  
[http://www.fdic.gov/about/financial/letters/08Q2\\_stake.pdf](http://www.fdic.gov/about/financial/letters/08Q2_stake.pdf)

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**Note:**  
FDIC financial institution letters (FILs) may be accessed from the FDIC's Web site at [www.fdic.gov/news/news/financial/2008/index.html](http://www.fdic.gov/news/news/financial/2008/index.html).

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

Paper copies of FDIC financial institution letters may be obtained through the FDIC's Public Information Center, 3501 Fairfax Drive, E-1002, Arlington, VA 22226 (1-877-275-3342 or 703-562-2200).

### Highlights:

Among the significant activities and accomplishments reported in this edition of the FDIC's Letter to Stakeholders are the following:

- FDIC-insured commercial banks and savings institutions reported net income of \$5.0 billion in the second quarter of 2008, a decline of \$31.8 billion (86.5 percent) from the \$36.8 billion the industry earned in the second quarter of 2007.
- The Deposit Insurance Fund (DIF) balance decreased by 14 percent (\$7.6 billion) to \$45.2 billion during the second quarter of 2008.
- The FDIC is conducting, along with the U.S. Bureau of the Census, the first national household survey to collect data on the number and demographic characteristics of unbanked and underbanked households.
- The FDIC published *Guidance for Managing Third-Party Risk*, which identifies sound practices in connection with third-party relationships.
- The Summer 2008 issue of **Supervisory Insights** highlights the need for greater transparency in the structured finance market, the risks and fallout associated with the growth in nontraditional mortgage products, and the inappropriate use of interest reserves.

Your feedback to the Letter to Stakeholders is encouraged, as are suggestions for improvement.

For more information, visit the FDIC's Web site at [www.fdic.gov](http://www.fdic.gov).

