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Financial Institution Letter
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***SUPERVISORY INSIGHTS* JOURNAL**

Summer 2011 Issue Now Available

Summary: The Summer 2011 issue of *Supervisory Insights* features two articles of critical interest to examiners, bankers, and supervisors: One provides useful information for bankers about the technical requirements associated with Small Business Administration (SBA) lending as well as information for examiners when reviewing bank SBA loan portfolios; and the second explains the risks associated with third-party payment processor relationships and discusses how banks can manage these risks. The publication is available at <http://www.fdic.gov/regulations/examinations/supervisory/insights/index.html>.

Statement of Applicability to Institutions with Total Assets under \$1 Billion: The information contained in this issue of *Supervisory Insights* is of interest to all FDIC-insured financial institutions, but it is not supervisory guidance.

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FDIC-Supervised Institutions

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Related Topics:

Small Business Administration Lending
Third-Party Payment Processor Relationships

Attachment:

None

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Note:

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Highlights:

- To help banks navigate the products, rules, and documentation related to SBA loan programs, "SBA Lending: Insights for Lenders and Examiners" reviews the SBA products lenders most often use and the technical requirements for underwriting, servicing, risk grading, liquidating, and selling SBA loans. The article also provides information that may be useful for examiners when reviewing bank SBA loan portfolios.
- "Managing Risks in Third-Party Payment Processor Relationships" explains the role of third-party processors, identifies warning signs that may indicate heightened risk in a payment processor relationship, and discusses the controls that should be in place to manage this risk.
- Suggestions for article topics and requests for permission to reprint articles should be e-mailed to supervisoryjournal@fdic.gov. Requests for print copies should be e-mailed to publicinfo@fdic.gov.

