



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

Financial Institution Letter
FIL-135-2004
December 20, 2004

FDIC EXPANDS ELECTRONIC COMMUNICATION

Seven New FDICconnect Business Transactions Available

Summary: In December 2004, the FDIC will expand its e-government initiative with seven new business transactions on FDICconnect. This includes the expansion of electronic application filings with participating State Banking Departments, additional online applications, distribution of Special Alerts, the ability to exchange information between the FDIC and institutions during the examination process, and the ability to exchange files with the FDIC's Consumer Response Center on consumer complaint investigations.

Distribution:

All Insured Banks and Savings Associations

Suggested Routing:

Chief Executive Officer
Executive Officers

Related Topics:

President's Management Agenda
Government Paperwork Elimination Act

Attachments:

Registration Overview and Procedures
Designated Coordinator Registration Form
Transaction List
State Banking Department Electronic
Participants

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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/2004/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, 801 17th Street, NW, Room 100, Washington, DC 20434 (1-877-275-3342 or 202-416-6940).

Highlights:

With the enhancements to FDICconnect in December 2004, institutions will be able to:

- Attach or submit files with their applications to establish a branch, and relocate a branch office or main office. This enhancement will also allow for concurrent filing with participating State Banking Departments. *This transaction is available to all FDIC-supervised institutions.*
- Submit applications for extensions of time. FDIC regulations require an institution to file this application when seeking to extend the time period for completing a transaction or to fulfill a condition related to previously approved applications. *This transaction will be available to all FDIC-supervised institutions.*
- Submit applications for prior FDIC consent to reduce or retire capital stock or capital notes or debentures. *This transaction will be available to all FDIC-supervised institutions.*
- Submit applications for golden parachute payments or excess nondiscriminatory severance plan payments. *This transaction will be available to all FDIC-insured institutions.*
- Distribute Special Alerts for apparent fraudulent activities reported to the FDIC. Distribution includes the electronic transmission of images of fraudulent instruments, which have been previously unavailable in electronic format. *This transaction will be available to all FDIC-insured institutions.*
- Securely exchange electronic pre-examination and examination files between the FDIC and institutions and/or institution data servicers. *This transaction will be available to all FDIC-supervised institutions.*
- Securely exchange files and information with the FDIC's Consumer Response Center regarding consumer complaint investigations. *This transaction will be available to all FDIC-supervised institutions.*

FDIC EXPANDS ELECTRONIC COMMUNICATION Seven New FDICconnect Business Transactions Available

In December 2004, the Federal Deposit Insurance Corporation (FDIC) will expand its e-government initiative – FDICconnect, a secure, transaction-based Web site for FDIC-insured institutions – with seven new business transactions. This includes the expansion of electronic application filings with participating State Banking Departments, additional online applications, distribution of Special Alerts, the ability to exchange information between the FDIC and institutions during the examination process, and the ability for institutions to exchange files with the FDIC’s Consumer Response Center regarding consumer complaint investigations.

The expansion of FDICconnect demonstrates the FDIC’s commitment to:

- Comply with the Government Paperwork Elimination Act of 1998 (GPEA);
- Address President Bush’s Management Agenda, which directs government agencies to establish electronic alternatives to current paper processes where feasible; and
- Provide increased customer service to FDIC-insured institutions by improving existing business processes to enable more efficient and effective communication.

The FDIC is encouraging institutions that have not yet registered for FDICconnect to do so *as soon as possible* so that they may benefit from the opportunities the system provides. Attached are an overview of the FDICconnect registration process, which includes instructions for registration, and a FDICconnect Designated Coordinator Registration Form, which includes instructions for approving and submitting the form.

This current expansion effort supports the following new functionality and/or business transactions through FDICconnect (attached is a list of all available transactions):

- The Electronic Branch Application (EBA) became operational on December 19, 2003. This system can be used to submit an application to establish a domestic branch, relocate an existing branch or relocate the main office in accordance with Subpart C, Part 303, of the FDIC Rules and Regulations. On December 21, 2004, EBA will also allow electronic filing with participating State Banking Departments (a list of participating departments is attached). In addition, EBA will support file attachment/submission. At this time, the system does not accept applications for merger transactions, establishing insured branches of foreign banks or foreign branches of domestic banks, interstate acquisitions of an individual branch or branches, or to provide notice of branch closings. EBA is available to all FDIC-supervised institutions.
- The Electronic Application for Extensions of Time (EXT) will become available on December 21, 2004. Institutions can use this system to seek the prior consent of the FDIC for additional time to fulfill a condition required in an application approved by the FDIC or to consummate a transaction that was approved by the FDIC. EXT will also distribute the filings to participating State Banking Departments. This system will also support file attachment/submission. This transaction will be available to all FDIC-supervised institutions.

- The Electronic Application to Reduce or Retire Capital Stock or Capital Debt (RRC) will become operational on December 21, 2004. This system can be used to submit an application in accordance with Section 18(i)(1) of the FDI Act, which requires an insured state nonmember bank to seek the prior consent of the FDIC before it reduces the amount or retires any part of its common or preferred capital stock, or retires any part of its capital notes or debentures. RRC will distribute the filings to participating State Banking Departments. This system will also support file attachment/submission. This transaction will be available to all FDIC-supervised institutions.
- The Electronic Golden Parachute and Excess Severance Plan Payments Application (GPSP) will become operational on December 21, 2004. RRC can be used to submit an application pursuant to Section 18(k)(1) of the FDI Act and 12 CFR Part 359, which requires insured depository institutions and holding companies to seek prior consent before entering into contracts to pay and making golden parachute payments or excess nondiscriminatory severance plan payments. GPSP will distribute the filings to participating State Banking Departments. This system also supports file attachment/submission. This transaction will be available to all FDIC-insured institutions.
- The FDIC currently distributes Special Alerts on apparent fraudulent activities. Special Alerts are posted on the FDIC's Web site; however, Special Alert attachments, which often include copies of fraudulent and authentic financial instruments, are not posted on the Web site, to prevent them from being used to further perpetuate the fraudulent activity. However, at the request of numerous financial institutions, the FDIC will begin distribution of Special Alerts and their attachments through *FDICconnect*, allowing instantaneous and secure delivery. This transaction will be available on December 30, 2004, to all FDIC-insured institutions.
- To reduce examination burden on its institutions, the FDIC currently requests varying amounts of information that is reviewed prior to the on-site portion of the examination. With the December 30, 2004, launch of the *FDICconnect* Examination File Exchange Transaction, institutions and/or other affiliated parties, such as data servicers, will be able to exchange files securely with the FDIC. This transaction will be available to all FDIC-supervised institutions.
- In accordance with the Federal Trade Commission Act of 1975, the FDIC's Consumer Response Center, which is part of the Division of Supervision and Consumer Protection, is required to track, investigate and respond to all written correspondence directed at FDIC-supervised institutions. The *FDICconnect* Consumer Response Center Transaction will allow the FDIC and institutions to complete this process electronically within *FDICconnect*'s secure environment. This transaction will be available to all FDIC-supervised institutions on December 30, 2004.

For more information, please contact Gina Luckenbill, Information Management Analyst, Division of Supervision and Consumer Protection, at 202-898-3848 (e-mail, GLuckenbill@fdic.gov).

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