



**Federal Deposit Insurance Corporation**  
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**Financial Institution Letter**  
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## ***SUPERVISORY INSIGHTS JOURNAL***

### **Summer 2012 Issue Now Available**

**Summary:** The Summer 2012 issue of *Supervisory Insights* features articles of critical interest to examiners, bankers, and supervisors. These articles include a discussion of the importance of open communication between regulators and community bankers to an effective supervisory process, an overview of the credit-related stress-testing process for community banks, a summary of recent results from the FDIC's *Credit and Consumer Products/Services Survey*; and a summary of the accounting for troubled debt restructurings. 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* may be of general interest to FDIC-insured financial institutions, but it is not supervisory guidance.

**Distribution:**

FDIC-Supervised Institutions

**Suggested Routing:**

Chief Executive Officer  
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**Related Topics:**

Community Banking  
Risk Management Examination  
Stress Testing  
Credit and Consumer Products/Services Survey  
Troubled Debt Restructurings

**Attachment:**

None

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**Note:**

FDIC Financial Institution Letters (FILs) are available on the FDIC's Web site at [www.fdic.gov/news/news/financial/2012/index.html](http://www.fdic.gov/news/news/financial/2012/index.html).

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

Paper copies 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:**

- "The Risk Management Examination and Your Community Bank" emphasizes the importance of open communication between regulators and community bankers to an effective supervisory process, provides an overview of the examination and application processes, and suggests ways to enhance communication between bankers and supervisors and help banks better navigate their examinations.
- "Stress Testing Credit Risk at Community Banks" describes the credit-related stress-testing process, discusses its usefulness in managing risk, and provides simple examples of how community banks can conduct stress testing.
- "Results from the FDIC's Credit and Consumer Products/Services Survey: Focus on Lending Trends" shares recent Survey results, including trends in underwriting, factors influencing banks' ability and willingness to lend, use of loan workouts, and loan growth patterns across the country.
- "Accounting for Troubled Debt Restructurings" provides a summary of the accounting for troubled debt restructurings, including a discussion of regulatory reporting issues.
- Suggestions for article topics and requests for permission to reprint articles should be e-mailed to [supervisoryjournal@fdic.gov](mailto:supervisoryjournal@fdic.gov). Requests for print copies should be e-mailed to [publicinfo@fdic.gov](mailto:publicinfo@fdic.gov).