



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

Financial Institution Letter
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Relationship Manager Program Enhancements to the Supervision Program

Summary: On September 30, 2005, the FDIC implemented the Relationship Manager Program (RMP) for all FDIC-supervised financial institutions. The RMP is designed to strengthen lines of communication between bankers and the FDIC, as well as improve the coordination, continuity and effectiveness of FDIC supervision.

Distribution:

FDIC-Supervised Banks (Commercial and Savings)

Suggested Routing:

Chief Executive Officer
Chief Financial Officer
Compliance Officer

Related Topics:

Supervision Program

Attachment:

None

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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/2005/index.html.

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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:

- All FDIC-supervised institutions will be assigned a relationship manager who will serve as a local point-of-contact.
- The RMP enables examiners to conduct examination activities at various points during the 12- or 18-month examination cycle as appropriate, based on risk and/or staffing considerations. However, examination activities at most institutions will continue to be conducted at one time near the end of the examination cycle.
- Financial institutions will receive Reports of Examination that incorporate all Risk Management and specialty examination findings for the examination cycle. Separate examination cycles for Information Technology, Trust, and other specialties have been incorporated into the Risk Management examination cycle.
- Separate examination frequency requirements and Reports for Compliance and Community Reinvestment Act (CRA) will continue.

Relationship Manager Program
Enhancements to the Supervision Program

On September 30, 2005, the Federal Deposit Insurance Corporation (FDIC) implemented the Relationship Manager Program (RMP) for all FDIC-supervised financial institutions.

The RMP is the result of a successful 2004 pilot program involving 390 financial institutions in eight states. The pilot program confirmed the following benefits to both the banking industry and the FDIC: strengthened lines of communication between bankers and the FDIC, as well as the improved coordination, continuity and effectiveness of FDIC supervision.

Under the program, all FDIC-supervised institutions will be assigned a relationship manager who will serve as the institution's local point-of-contact over an extended period. Relationship managers will field questions and maintain lines of communication with financial institutions. Additionally, relationship managers will often participate in or lead examinations for their assigned institutions.

The RMP allows for flexibility in conducting examination activities at various times during the 12- or 18-month examination cycle, as appropriate, based on risk and/or staffing considerations. However, it is anticipated that most examination activities will continue to be conducted at one time near the end of the Risk Management examination cycle, particularly in well-rated institutions.

The RMP does not incorporate any significant changes in Risk Management or Compliance/Community Reinvestment Act (CRA) examination procedures. The RMP incorporates examination intervals for Trust, Information Technology, Registered Transfer Agent, and Government Security Dealer examinations within the Risk Management examination cycle. Financial institutions will receive a Report of Examination at the end of the examination cycle that will incorporate Risk Management and specialty examination findings. Separate examination frequency requirements and examination reports for Compliance/CRA will continue; however, these activities will be closely coordinated with other supervisory activities.

Notification letters containing the relationship manager's name and contact information will be sent separately to all FDIC-supervised institutions. For further information about

the FDIC's new Relationship Manager Program, please contact your relationship manager or Louis Bervid, Senior Examination Specialist, at lbervid@fdic.gov or (202) 898-6896.

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