



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

Financial Institution Letter
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LETTER TO STAKEHOLDERS

First Quarter 2007 Edition of FDIC's Letter to Stakeholders

Summary: The FDIC has issued the attached quarterly Letter to Stakeholders, which reports on the FDIC's priorities and activities for the first quarter of 2007.

Distribution:
FDIC-Insured Institutions

Suggested Routing:
Chief Executive Officer

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Attachment:
Letter to Stakeholders

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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/2007/index.html.

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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:

- FDIC will make deposit insurance assessment invoices for the first quarter 2007 available by June 15, 2007. Assessment rates for most institutions will vary between 5 and 7 basis points annually. Many institutions will have enough assessment credits to offset all of their deposit insurance bills for 2007.
- FDIC issued, along with other federal banking agencies, a proposed Statement on Subprime Lending to clarify the agencies' expectations on underwriting and marketing subprime mortgage products, especially subprime hybrid ARMS.
- The Board extended a moratorium on deposit insurance applications and change-in-control notices for industrial banks that would be controlled by non-financial companies. The Board issued a proposed rule to enhance transparency and controls for industrial banks that become subsidiaries of financial companies that are not subject to consolidated federal bank supervision.
- FDIC outlined a proposal before the FDIC Advisory Committee on Economic Inclusion to create a two-year pilot project for banks to establish Affordable Small-Dollar Lending programs to serve the unbanked and underserved population.
- FDIC's *Quarterly Banking Profile* stated the industry reported net income of \$145.7 billion in 2006, marking the sixth consecutive year of record earnings. Net income in 2005 was \$133.9 billion.
- 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.