



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

Financial Institution Letter  
FIL-112-2007  
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## **SUPERVISORY INSIGHTS JOURNAL**

### **Winter 2007 Issue Now Available**

**Summary:** The Winter 2007 issue of the FDIC journal *Supervisory Insights* focuses on the importance of strong risk-management practices, particularly in more challenging credit cycles, and addresses other topics that are timely for both the banking and supervisory communities. The journal features articles on how liquidity management and measurement practices have changed; how banks can monitor and control commercial real estate concentrations; the critical role Suspicious Activity Reports play in fighting financial crimes; how examiners review and analyze Home Mortgage Disclosure Act loan data; how banks have responded to increasing risks in the Internet banking environment; and how community banks in the FDIC's Dallas Region are using leveraging strategies to enhance earnings and growth. The publication is available at: <http://www.fdic.gov/regulations/examinations/supervisory/insights/index.html>.

#### **Distribution:**

FDIC-Supervised Institutions

#### **Suggested Routing:**

Chief Executive Officer  
Compliance Officer

#### **Related Topics:**

Liquidity Management  
Real Estate Lending  
Fair Housing Act  
USA PATRIOT Act  
Identity Theft

#### **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/2007/index.html](http://www.fdic.gov/news/news/financial/2007/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, 3501 Fairfax Drive, E-1002, Arlington, VA 22226 (1-877-275-3342 or 703-562-2200).

#### **Highlights:**

- **"Liquidity Analysis: Decades of Change"** discusses how banks' liquidity-management practices have evolved into more complex funding strategies with a greater emphasis on such factors as liability sources and off-balance sheet funding.
- **"Managing Commercial Real Estate Concentrations"** reviews regulatory guidance and provides best practices as well as methodologies that some banks use to control these risks.
- **"Connecting the Dots...the Importance of Timely and Effective Suspicious Activity Reports"** discusses the critical role SARs play in combating financial crimes and reviews various methods for making the information in SARs more useful and effective for both law enforcement and regulatory agencies.
- **"Authentication in Internet Banking: A Lesson in Risk Management"** addresses how banks and Internet service providers have used authentication strategies to protect customer access credentials.
- **"HMDA Data: Identifying and Analyzing Outliers"** outlines the FDIC's analytical process and offers suggestions to examiners and bankers for making the process more effective.
- **"From the Examiner's Desk"** looks at community bank leveraging strategies as well as the risks and risk-management practices needed to control those risks.