Letter from the Director

The FDIC continues to support the formation of new financial institutions and welcomes applications for deposit insurance. The entry of new institutions helps to preserve the vitality of the banking sector, fill critical gaps in local banking markets, and provide credit services to communities that may not currently have a local financial institution.

"*De Novo* Banks: Economic Trends and Supervisory Framework" provides an overview of trends in *de novo* formation; the process by which the FDIC reviews applications for deposit insurance; the supervisory process for *de novo* institutions; and steps the FDIC is taking to support *de novo* formations. The information provided in this article reinforces the FDIC's desire to promote a dialog with individuals and groups interested in forming a new bank.

As the primary federal regulator for the nation's community banks, the FDIC recognizes the importance of identifying and addressing emerging risks in the banking industry in a timely manner. Promptly communicating these risks to bank management and the board of directors, often in the form of Matters Requiring Board Attention (MRBA), is critical to these efforts. This article provides an overview of the most commonly cited MRBA in Reports of Examination and identifies trends in these categories that may provide an overview of risks developing within the industry.

This issue of *Supervisory Insights* also includes our regular summary of recently released regulations and supervisory guidance.

We hope you find the articles in this issue to be informative and useful. We encourage our readers to provide feedback and suggest topics for future issues. Please email your comments and suggestions to SupervisoryJournal@fdic.gov.

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