

Letter from the Director

The banking industry continues to face challenges in traditional business lines, new product offerings, and from cyber attacks on information security systems. The articles in this issue of *Supervisory Insights* provide information and resources for bankers and examiners in three areas — the evolving arena of cybersecurity, marketplace lending, and current lending portfolio conditions and risks.

Due to the growing sophistication and number of cyber attacks, cyber security has become a critical issue facing the financial services sector. “A Framework for Cybersecurity” provides an overview of the current cyber threat landscape, and discusses how banks can enhance and leverage existing security and governance practices into effective information security programs. The article concludes with a review of actions the federal banking agencies have taken in response to cyber threats.

Marketplace lending is a small but growing component of the financial services industry that some banks are viewing as an opportunity to increase revenue. “Marketplace Lending” describes the marketplace lending model and highlights the risks banks may face in dealing with marketplace lenders, particularly when those associations are in the form of third-party arrangements. The article identifies resources for bank management and directors to consider when participating in marketplace lending activity.

Careful monitoring of the loan portfolio and identification of potential risks remain characteristics of a well-managed bank. “Lending View-

point: Results from the FDIC’s Credit/Consumer Products and Services Survey” provides an overview of current lending conditions as reported by this survey following FDIC risk management examinations. Data from the survey continue to help the FDIC assess lending trends at the banks we supervise and proactively address any areas of heightened risk.

This issue of *Supervisory Insights* also includes an overview of recently released regulatory and supervisory guidance.

I 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 e-mail your comments and suggestions to SupervisoryJournal@fdic.gov.

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