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To: Comments
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Below, please find New York Community Bank's response to the FDIC's Request for Information dated August 13, 2021, regarding the FDIC's supervisory approach to examinations during the pandemic.



New York Community Bank
Regulatory Affairs
102 Duffy Avenue, Hicksville, NY 11801

On-site and Off-site activities

1. In your experience, what FDIC examination activities have been best adapted to completion on an off-site basis? Please explain, including why these activities are performed best or are most effective using an off-site approach.
 - a. **The overall completion of the target reviews, annual examinations, and ongoing continuous monitoring activities has been more effective in an off-site capacity. Specifically, the use of virtual meetings ensures that all necessary participants are included and the issuance of electronic-only documentation allows for quicker delivery and responses, where applicable.**
The logistics of bringing all interested parties together in a physical setting is challenging and inefficient.

It is our view the agencies should consider performing as much off-site examination activity as possible in order to continue current practices and the overall productivity and efficiency gains that have been achieved during the pandemic.
2. In your experience, what FDIC examination activities have not been as well suited to completion on an off-site basis? Please explain, including why these activities are best suited for completion on or are most effective using an on-site approach.
 - a. **Our experience is that many, if not all, FDIC examination activities are well suited for off-site processes.**
 - b. **Bank-specific application training may be better suited, in certain circumstances, in an on-site capacity; however, accommodations have been made for virtual trainings which continue to work as intended.**
3. What criteria are useful in determining FDIC examination activities best suited for completion on either an off-site or on-site basis? Please explain.

The FDIC could consider the following criteria:

- a. **Whether the FDIC is confident that it can effectively carry out its core mission in an off-site capacity, examiner views on whether potential insights or information exchanges associated with in-person discussions are potentially lost or compromised in an offsite process**
- b. **Whether an off-site approach helps the agency plan and coordinate its exams better, as well as stay on target and complete scheduled exams in a timely manner**
- c. **The costs including travel, accommodations, and other related expenses for both the FDIC and financial institutions under examination**

- d. Efficiencies associated with off-site examination activities that include logistics (scheduling), availability of participants, delivery and exchange of physical examination materials and documentation (i.e. presentation materials during physical meetings)
- e. Environmental considerations associated with the health and well-being of its employees, and the environmental impact of travel, use of ink and paper materials, as well as other physical location resources (system-wide, and over time, the impacts associated with an on-site examinations could be substantial).

Use of Technology

4. In your experience, what FDIC technologies used in conjunction with off-site examination activities have worked well? Please explain.
 - a. The use of the FDIC secure email exchange has been a useful tool in documentation transmission.
 - b. The ability of the FDIC to utilize and implement remote meeting capabilities and conduct examination meeting virtually has worked well.
5. In your experience, what FDIC technologies used in conjunction with off-site examination activities could be improved? Please explain.
 - a. The FDIC secure email exchange software does not allow you to add a recipient on an existing email chain, which would be a helpful feature. We have also experienced issues with file size limitations in connection with the platform, which could be improved upon.
6. What new or emerging technologies would support additional off-site examination activities? Please explain, including any potential impediments to adoption or deployment.
 - a. No suggestions at this time.

Communication Methods

7. What communication methods used during FDIC off-site examinations worked well? Please explain.
 - a. FDIC secure email exchange has been a more effective exchange of information, allowing for a quicker turnaround time for all parties involved.
 - b. Email communication has worked effectively during off-site examination activities.
 - c. Video communications and meetings have worked effectively as well. However, the FDIC should consider at times that meetings in large groups, particularly in virtual settings, can potentially impact or hinder active dialogue. For certain areas of focus (i.e. areas of any heightened sensitivity) during examinations the FDIC should consider smaller break-out or one-on-one discussions.
8. What communication methods used during FDIC off-site examinations could be improved? Please explain.
 - a. No suggestions at this time.
9. Should the FDIC continue to use secure email as an alternative to hardcopy mail, including when providing outgoing supervisory correspondence? Please explain.
 - a. Yes, the use of secure email provides for a quicker exchange of information that can potentially be voluminous in terms of unnecessarily printed hard copy paper.