



June 2014

## FDIC COMMUNITY BANK INITIATIVE RESOURCES

Dear Chief Executive Officer:

We are writing to share an information package that we hope will be useful to you and your board of directors.<sup>1</sup> The package contains resources and products developed as part of the FDIC's Community Banking Initiative as well as documents describing our examination processes. We hope these materials will share our perspectives on supervisory matters and provide you with an overview of technical assistance the FDIC has developed for community bankers.

In 2012, the FDIC began an initiative to examine the challenges and opportunities for community banks. FDIC Chairman Martin J. Gruenberg met with community bankers at a national symposium in February 2012 and smaller venues across the country. The FDIC remains committed to leading industry efforts to engage with community bankers through roundtable events and outreach, identify opportunities to provide technical assistance to community bankers, and implement changes to improve the examination process. Through the Community Banking Initiative, the FDIC has developed the following:

- Directors' Resource Center: A centralized location for information, resources, and guidance focused on current issues facing the banking industry, including the factors that contributed to the recent financial crisis. The webpage can be found at <http://www.fdic.gov/regulations/resources/director/index.html>.
- Technical Assistance Video Program: This program consists of educational videos for bank directors, officers, and employees on supervisory matters. In 2013, we released videos pertaining to directorate roles and responsibilities, a topical Directors' College, and an in-depth technical video series designed for officers and employees. The videos are available on our website or by download from *FDICConnect*. (Log in to *FDICConnect*, select "Ask and Order," then choose "FDIC Online Catalog.")
- Regulatory Calendar: This online calendar includes notices of proposed and interim/final rulemakings or guidance affecting institutions. It also alerts stakeholders to comment and compliance deadlines relating to changes in federal banking laws and regulations.

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<sup>1</sup> Please note that you previously received an information package that did not include a letter explaining the package's purpose and contents. Because of the importance of this material, we are sending another information package.

- Technical Assistance for Rulemakings: This program offers technical assistance for significant rulemakings. In 2013, the FDIC released a Capital Estimation Tool, developed an Expanded Community Bank Guide, and provided a video on our website to help community banks understand the potential impact of the Regulatory Capital Interim Final Rule.
- Cyber Challenge: To help community bankers assess their readiness to respond to cybersecurity risks, we developed a community bank cybersecurity exercise called Cyber Challenge. The exercise presents four possible cybersecurity threat scenarios and provides challenge questions to guide a discussion among bank employees or directors around operational risk-related situations.
- Technical Assistance for Managing Consumer Compliance Responsibilities: This brochure, a copy of which is enclosed, lists the types of technical assistance available to bankers from FDIC examiners.

The FDIC has also focused on enhancing communication during and between examinations. An open dialog with bank management is critical to ensuring the supervisory process is effective in promoting an institution's strong financial condition and safe-and-sound operation. To that end, the FDIC has:

- Published an article titled *The Risk Management Examination and Your Community Bank* in the Summer 2012 *Supervisory Insights* publication.
- Mailed a pre-examination information packet to institutions in advance of each Compliance and Community Reinvestment Act examination. The information packet explains our examination process, references available resources, and provides supervisory contact information.
- Emphasized the importance of open communication, encouraged institutions to provide feedback about the supervisory process, and provided for direct communication with us in the March 2011 Financial Institution Letter, *Reminder on FDIC Examination Findings*.
- Continued to provide institutions the opportunity to complete a post-examination survey to assist us in refining our examination process.
- Provided for informal and formal communication avenues to discuss potential disagreements in examination findings. An informational brochure explaining the guidelines for appealing material supervisory determinations is enclosed.

We encourage you to review the findings of the FDIC Community Banking Study, which can be found at <http://www.fdic.gov/regulations/resources/cbi/study.html> or via the search function on our website. The study documents and quantifies the important role community banks play in our financial system, job creation, and the economy as a whole. Consequently,

there is an important public interest from the FDIC's perspective in having a strong, vital community banking sector in the U.S. financial system.

FDIC employees endeavor to ensure that this public interest is carried out through an effective supervision program that leads to a stronger financial system. A key part of our efforts is maintaining open lines of communication throughout the supervisory cycle, and we welcome your feedback on our progress. You may share comments and any recommendations you may have about the information contained in this package, future technical assistance video topics, or our examination programs with us at [DirectorRMS@fdic.gov](mailto:DirectorRMS@fdic.gov) or [DirectorDCP@fdic.gov](mailto:DirectorDCP@fdic.gov). In addition, all of the materials in this information package may be found on the FDIC's website at [www.fdic.gov/informationpacket](http://www.fdic.gov/informationpacket).

Sincerely,

/S/

Doreen R. Eberley  
Director  
Division of Risk Management  
Supervision

/S/

Mark Pearce  
Director  
Division of Depositor and Consumer  
Protection