



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

Financial Institution Letter
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FFIEC Provides Update on Examination Modernization Project

Summary: The Federal Financial Institutions Examination Council (FFIEC) has announced an update on the status of its Examination Modernization Project. The objective of the project is to identify and assess ways to improve the community bank safety-and-soundness examination process, and it was undertaken as a follow-up to the review of regulations under the Economic Growth and Regulatory Paperwork Reduction Act (EGRPRA).

Statement of Applicability to Institutions with Total Assets Under \$1 Billion: This Financial Institution Letter applies to all FDIC-supervised financial institutions.

Suggested Distribution:

FDIC-Supervised Banks (Commercial and Savings)

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[Communications to Industry Regarding Examination Modernization Project](#)

Contact:

Associate Director (Risk Management Policy Branch) Rae-Ann Miller at (202) 898-3898 or RMiller@fdic.gov

Note:

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Highlights:

- As an initial step in the Examination Modernization Project, staff of the FFIEC members compared current safety-and-soundness examination processes and obtained feedback from supervised institutions and examiners.
- A key theme addressed during feedback sessions was that agencies should highlight and reinforce communication objectives during the examination process.
- The FFIEC update indicates that the FFIEC members plan to reinforce and clarify for examiners the importance of being clear and transparent to community bankers during the examination process.
- The Examination Modernization Project is expected to be a long-term effort, and FFIEC members expect to take further actions, beyond this update, as other areas for improvement emerge.