

Letter from the Director

The FDIC has long understood the value of open communication between bank regulators and community bankers. The FDIC has developed a series of initiatives, inaugurated by “The Future of Community Banking” conference held earlier this year, to further this dialog, ensure community bankers understand our supervisory approach, and explore the challenges and opportunities facing this sector of the banking industry. As part of these outreach efforts, this issue of *Supervisory Insights* features “The Risk Management Examination and Your Community Bank.” This article provides an overview of the examination and application processes to help banks better navigate their examinations and suggests ways to enhance communication between bankers and supervisors.

Also of particular interest for community banks, “Stress Testing Credit Risk at Community Banks” describes the credit-related stress-testing process, discusses its usefulness in managing risk, and provides relatively simple and straightforward examples of how community banks can conduct stress testing.

“Results from the FDIC’s Credit and Consumer Products/Services Survey: Focus on Lending Trends” summarizes recent Survey results with a focus on lending activity, including trends in underwriting, factors influencing banks’ ability and willingness to lend, use of loan workouts, and loan growth patterns across the country.

And finally, this issue of *Supervisory Insights* provides a summary of the accounting for loan modifications that are considered troubled debt restructurings, including a discussion of regulatory reporting issues.

We hope you have the opportunity to read the articles in this issue and find them interesting and useful. We welcome feedback on articles as well as ideas for topics for future issues. Please e-mail your comments and suggestions to SupervisoryJournal@fdic.gov.

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