

Advisory: Standardized Export of Imaged Loan Documents

The Federal Deposit Insurance Corporation (FDIC) is continuously exploring opportunities to modernize examination processes and incorporate industry feedback. In an effort to streamline examination processes and improve efficiencies, the FDIC is developing a standardized process for reviewing imaged loan files.

The standardized export will leverage financial institutions' preexisting loan indexing data in a specified format, which allows examination staff to access and review imaged loan documents within FDIC systems. The goal is to leverage technology to improve examination efficiency, both onsite and offsite. Possible benefits include lessening financial institution burden when supporting onsite examination teams, and potentially, reduce the amount of onsite examiner activity.

This proposed process complements current examination data review practices that rely on technology to improve examination processes. For example, the Interagency Loan Data Request (ILDR) uses electronically transmitted data about an institution's overall loan portfolio to assist in examination planning. While comparisons to the ILDR can be made, this new process is a separate capability.² Specifically, this initiative consolidates requested loan documentation and images into data files for secure transmission to examination teams. This allows examination staff to be equally effective at conducting loan review activities both inside and outside of an insured institution's premises.

The FDIC will conduct testing over the next several months to validate technical specifications and related business processes for the standardized export. As such, some FDIC-supervised institutions may be asked if they wish to participate in testing on upcoming examinations on a voluntary basis. Information security continues to be a primary focus for the FDIC, and appropriate protocols will be employed throughout all phases of this initiative to protect sensitive data.

After the testing and discovery period, the FDIC plans to conduct a virtual symposium to share lessons learned, discuss processes and technical specifications, and communicate plans for broader implementation of the initiative. If the initiative moves from a testing phase, into production, adoption by financial institutions will remain voluntary. If the FDIC decides to proceed to a broader implementation, technical and process information will be made available to insured institutions and their service providers/software vendors.

If implemented, FDIC-supervised institutions will have the option of electronically submitting loan files using the standardized export process as part of the pre-examination request for information. The FDIC will not require submission of imaged loan files electronically, nor will this initiative request that institutions alter existing file indexing practices for imaged loan documents. Further, institutions that have not implemented a loan document imaging system will not be required, or expected, to do so.

Timeline Summary:

- Testing and Discovery: Through December 2018
- Information Sharing Teleconference: May 16, 2018, 2 p.m. Eastern Time
- Information Sharing Virtual Symposium: December 2018
- Potential Production Implementation: First Quarter 2019

² Testing of this new process will have no effect on existing ILDR data requests.

The FDIC is in consultation with other Federal and State regulatory agencies to determine if the standardized export of imaged loan documents can be integrated into their existing examination processes.

The FDIC will host a teleconference for FDIC-supervised institutions who wish to learn more about the initiative, goals, testing and discovery phase, and potential benefits of the standardized export of imaged loan documents. This event will be recorded and include computer based information sharing via WebEx. To attend, please use the following information.

Date: Wednesday, May 16, 2018

Time: 2-3 p.m. Eastern Time

Conference Call: Toll: 1-203-827-7026, Toll Free: 888-323-9701

Participant Code: 9157610

Presentation Materials - WebEx Link:

<https://www.mymeetings.com/nc/join.php?i=PWXW7322104&p=9157610&t=c>

(Overflow Link)

<https://www.mymeetings.com/nc/join.php?i=PWXW7322210&p=9886296&t=c>

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