

A Timely FDIC Reminder on Examination Findings



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Five years after issuing its first Reminder on FDIC Examination Findings, the FDIC has reissued and updated the Reminder to stress the importance of open communications between bank management and the FDIC, with particular emphasis on the value of candid feedback from banks regarding FDIC supervisory activities.¹

Bank management should especially note that:

- banks are encouraged to provide feedback on FDIC supervisory programs and seek clarity on the FDIC's findings and recommendations whenever needed;
- open discussion is invited at the examiner, field office and regional levels whenever a bank has concerns about examination findings; and
- retaliation against any bank by examiners or other FDIC personnel is expressly prohibited.

The Reminder pointedly recognizes cooperative, continuing communication between examination staff and bank management as a critical element of effective bank supervision. To that end, the FDIC seeks to foster open, informal communication throughout the examination process and encourages discourse by assuring banks that informal communications will not be considered to convey expectations of

action by bank management.

Of equal significance, the FDIC urges banks (i) to provide feedback on field examinations, Reports of Examination and other supervisory processes, and (ii) to raise concerns about examination findings, assigned ratings or other supervisory determinations. In particular, banks with concerns may informally discuss matters with examiners-in-charge or FDIC field and regional office personnel, or may file a request for review under the FDIC's formal appeals process for material supervisory opinions.

Focusing on material supervisory determinations (MSDs), the Reminder confirms a bank's right to formally appeal any MSD within 60 calendar days after it receives a Report of Examination or other document containing MSDs. Banks with concerns about their interactions involving MSDs may also contact the FDIC Ombudsman for a confidential, neutral source of information and resolution of complaints against the FDIC.

In furtherance of its endorsement of open communication, the Reminder makes it abundantly clear that the FDIC has zero tolerance for retaliation or abuse by its personnel. Banks that believe they have been the victims of retaliation are encouraged to contact their Regional Director or file a complaint with the FDIC Ombudsman or the FDIC Office of Inspector General.

¹ <https://www.fdic.gov/news/news/financial/2016/fil16051.pdf>

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