



FEDERAL RESERVE BANK *of* KANSAS CITY

July 26, 2013

EXAMINATION AND INSPECTION REPORT TIMING STANDARDS

- Attention:** Chief Executive Officer of the Institution Addressed
- Subject:** SR Letter 13-14: Timing Standards for the Completion of Safety and Soundness Examination and Inspection Reports for Community Banking Organizations
- Summary:** On July 8, 2013, the Board of Governors of the Federal Reserve System issued guidance which sets forth for Reserve Banks the timing standards for the timely completion of safety and soundness examination and inspection reports (collectively referred to as “reports”) for community banking organizations (CBOs). The guidance applies to CBOs supervised by the Federal Reserve that have total consolidated assets of \$10 billion or less, including state member banks, bank holding companies (BHCs), and savings and loan holding companies (SLHCs).
- In brief, the guidance requires that all reports issued by the Federal Reserve to satisfactorily rated CBOs be completed and delivered to the supervised institution within a maximum of 60 calendar days following the “close date.” Furthermore, Reserve Banks are encouraged to adopt internal targets of 45 calendar days for reports issued to CBOs rated composite 3, 4 or 5. The “close date” of an examination or inspection is generally defined as the last date that the examination team is physically onsite at the supervised institution. As a further measure to ensure the timely issuance of reports, the duration between the start of an examination or inspection and the delivery of the report should not exceed 90 days. While exceptions may occur, deviations from the timing standards are expected to be rare.
- The guidance also establishes minimum documentation requirements for examiners when communicating preliminary findings and conclusions to management and the board of directors of the supervised institution at the close date or exit meeting of the examination or inspection. Documentation of such meetings should include at a minimum: a list of attendees; a description of significant examination findings and preliminary ratings discussed; and, a summary of management’s views on the findings and, if applicable, the views of the board of directors. To the extent conclusions in the final report differ from the preliminary conclusions shared during the examination or inspection, supervisory staff must communicate to management and the board of the supervised institution the reasons for the differences and document these discussions in the workpapers.
- Contact:** Please direct questions concerning SR 13-14 to your Central Point of Contact at the Federal Reserve Bank of Kansas City at (800) 333-1010.
- Internet:** A copy of SR13-14 is available on the Board’s web site at:
<http://www.federalreserve.gov/bankinfo/srletters/sr1314.htm>