



FEDERAL RESERVE BANK *of* KANSAS CITY

June 25, 2013

SR Letter 13-13 & CA Letter 13-10 (Supervisory Considerations for the Communication of Supervisory Findings)

To the Chief Executive Officer of Each Tenth District State Member Bank, Bank Holding Company, and Savings and Loan Holding Company:

On June 17, 2013, the Board of Governors of the Federal Reserve System (Federal Reserve Board) issued a joint SR and CA Letter to update and clarify existing examiner guidance concerning the communication of supervisory findings to banking organizations and institutions supervised by the Federal Reserve. This guidance discusses the Federal Reserve's standard language for examination and inspection findings, and highlights supervisory considerations for corrective actions and Reserve Bank follow-up.

In particular, in order to better focus an institution's board of directors' attention on deficiencies found during the supervision process, examiners will classify findings into one of two categories - *Matters Requiring Immediate Attention (MRIs)* and *Matters Requiring Attention (MRAs)*, and reserve matters that are more informative or advisory in nature for the narrative sections of examination or inspection reports or other supervisory communications. Examiners are instructed to discontinue using *Observations* as a separate category of supervisory findings for all supervisory activities commencing after June 17, 2013.

A copy of the joint SR and CA letter and its supporting guidance is attached. Please direct any questions concerning the guidance or policy statement to your Federal Reserve Bank of Kansas City central point of contact or Consumer Affairs contact at (800) 333-1010.

Sincerely,

James H. Hunter
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Vice President – Consumer Affairs

Enclosures