

# 2008 COURSE CATALOGUE

## FFIEC EXAMINER EDUCATION

Third Edition – December 2007



[www.ffiec.gov](http://www.ffiec.gov)

# 2008 Course Catalogue

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# Introduction

This catalogue contains brief descriptions of the examiner training programs offered by the FFIEC and the five federal financial institution regulatory agencies that comprise it.

The first section presents detailed information about FFIEC programs. The second section presents summary information about the FFIEC member-agency training programs available to other agencies.

The FFIEC and Council-member agency training calendars are planned in response to the requests received, and limited capacity exists to accommodate additional training requests received during the training year.

The FFIEC and each of its member agencies plan an annual training calendar in the summer to determine the type and frequency of courses to be made available during the following year. State regulatory agencies are encouraged to forward estimates of their training needs in the spring and summer for the upcoming year.

Each regulatory agency has summarized its registration policy and tuition rates and has specified its policies on sponsorship and other financial assistance to state regulatory agencies. To obtain more information about the courses described in this catalogue, please contact the sponsoring agency.

Visit the Examiner Education Office at [www.ffiec.gov](http://www.ffiec.gov)

Follow the Examiner Education Office link. The site contains the Course Catalogue, current calendar of course offerings, and FFIEC Information Technology Symposium and Fraud Symposium published white papers. The site also contains directions to the training center, information for guest speakers and current staff and their course assignments.

## Letter from the Manager

The Federal Financial Institutions Examination Council (FFIEC) was established pursuant to title X of Public Law 95-630, the Financial Institutions Regulatory and Interest Rate Control Act of 1978 (FIRA). The purpose of title X was to create an interagency body empowered to “prescribe uniform principles and standards for the federal examination of financial institutions...and make recommendations to promote uniformity in the supervision of these financial institutions.” As a part of its mandate, the Council conducts training programs for federal and state examiners.

The goals of the training program are to (1) promote training efficiency by encouraging consistency of examiner education through joint sponsorship of interagency training; (2) develop, maintain and deliver timely, state-of-the-art interagency training; (3) serve as a clearinghouse of training opportunities offered by the member agencies; and (4) provide support to the initiatives of the Council and its task forces.

Since its inception in 1979, the Council has provided training for 85,000 participants. All programs are offered under the auspices of the Task Force on Examiner Education, whose principal members are officers of the five Council-member agencies who oversee examiner training. Programs are expressly designed to meet the needs of examiners.

The training office relies primarily on the private sector for instructors. Bankers, attorneys, accountants, and consultants bring outside expertise to the classroom. This provides a source of instructors to supplement those found in agency commissioning training. Staff members from participating agencies provide lectures on regulatory topics. The training office stands ready to provide “spot” seminars or conferences which are needed to prepare examiners for new regulatory initiatives. When new interagency regulatory announcements are made, the Council training office can respond quickly to the training need.

In 1999, the FFIEC developed a method of delivering training or information called the "FFIEC InfoBase." This technology makes it possible to produce CD-ROMs that are compatible with the computer systems in the member agencies, including examiners' laptops. This provides the Council with the means to disseminate new interagency policies, procedures, and training to the examiners of the member agencies and to respond quickly, thus reducing the lag between policy announcements and examiners' receipt of additional information and training.

In 2002, the Examiner Education Office (EEO) began providing a supplemental CD to all attendees as a value-added tool for their training needs. The CD contains presenters' materials, pertinent regulatory guidance, and other relevant industry issuances. An e-mail address, [ffiecfeedback@fdic.gov](mailto:ffiecfeedback@fdic.gov), has been set up to provide examiners an opportunity to respond to questionnaires and to provide a direct link for suggestions. Also in 2002, the FFIEC began a relationship with CSBS to provide an on-line distance learning Fraud Identification training course. In 2003, an on-line Real Estate Appraisal Review training course was added.

The FFIEC EEO has continued to coordinate revisions of the FFIEC Information Technology Examination Handbook. In addition, to provide a resource to understand the compliance implications for the 21<sup>st</sup> Century Act (Check 21), a Check 21 InfoBase was added for bankers and examiners. The FFIEC EEO continues to update the online Bank Secrecy Act/Anti-Money Laundering Examination Manual InfoBase. All are available at [www.ffiec.gov](http://www.ffiec.gov).

The EEO is currently working under the direction of the IT Subcommittee to create a standalone CD-based training product for agency personnel only. This CD, which should be available in 2008, will serve as a tool for agency staff who want additional information regarding the financial analysis of technology service providers.

Karen K. Smith, Manager, Examiner Education, May 1, 2007

## General Information

### Who May Attend?

Programs are open to the staff of federal and state financial institution regulatory agencies. Staff members from other regulatory agencies will be accommodated if space is available. The *Basic International Banking Self-Study CD* is available for sale to the public.

### Registration

Agency employees who are interested in FFIEC training need to be registered through their respective agency's training headquarters. State financial institution regulatory staff should attempt to register through a Council-member agency (some provide partial financial sponsorship) or through their association of state supervisors. State bank examiners may also register directly with the FFIEC. Foreign applicants should look for registration information in the Federal Reserve System section of this catalogue.

It is suggested that state agencies submit their training requests during the spring and summer for the following calendar year. This will be helpful in planning the number of sessions for each program. Otherwise, availability may be limited.

### Tuition

Tuition for 2008 will vary by class size, amount of course materials, number of outside instructors, etc. and may vary from 2006 rates. The tuition rates for non-member agency participants are available on the FFIEC Web site: [www.ffiec.gov/exam/tuition.pdf](http://www.ffiec.gov/exam/tuition.pdf).

### Training Facility

The FFIEC leases offices, classrooms, and the auditorium from the FDIC at the L. William Seidman Center, 3501 Fairfax Drive, Room B3030, Arlington, Virginia 22226-3550. Phone: (703) 516-5588, Fax: (703) 516-5487.

### Lodging

Hotel accommodations for most participants can be arranged in the L. William Seidman Residence Facility, 1001 N. Monroe Street, Arlington, Virginia 22201 adjacent to the training center; Phone: (703) 516-4630. Reservations should be made through member agency training offices. The FFIEC will make lodging arrangements at the Residence Facility for individuals registering for programs directly with the FFIEC.

### Training Memoranda and Pre-Course Study Materials

The registering member agency will send a training memorandum and pre-course study materials, if applicable, to each of its participants approximately 30 days prior to the session date. The memorandum will give the location and starting and ending times of the program. For courses that require pre-course preparation, the FFIEC will send the pre-course materials to member agency training offices for distribution to each participant.

## General Information (continued)

### Dress Code

Participants may wear comfortable attire appropriate for a business environment for programs conducted in the L. William Seidman Center, Arlington, Virginia. Coat and tie are not required. However, tennis shoes, T-shirts, blue jeans, and shorts should not be worn.

### Course Prerequisites

Participants should meet all course or conference prerequisites as stated in the course description. When in doubt, call the registering agency's training headquarters or the program administrator to determine eligibility. FFIEC program administrators and the programs for which they are responsible are listed below.

## Senior Program Administrators and Course Listing

**Jennifer C. Herring**  
[Jherring@fdic.gov](mailto:Jherring@fdic.gov)  
(703) 516-5594

### Questions?

For more information: call, write, or e-mail.

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3501 Fairfax Drive, Room B 3030  
Arlington, Virginia 22226-3550

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*Advanced BSA/AML Specialists Conference* 

*Advanced Cash Flow Concepts and Analysis: Beyond the Numbers*

*Advanced Commercial Credit Analysis*

*Advanced Fraud Investigation Techniques for Examiners (Formerly Lead Investigation Specialists Workshop)*

*Anti-Money Laundering (AML) Workshop*

*Asset Management Forum*

*Basic International Banking Self-Study CD*


*Capital Markets Conference*

*Capital Markets Specialists Conference*

*Cash Flow Construction & Analysis from Federal Tax Returns*

*Community Financial Institutions*

*Lending Forum*

*Federal Reserve System Fraud Information Network: Fundamentals of Fraud Workshop* 

*Financial Crimes Seminar*

*Fraud Identification Training On-Line Course*

*Fraud Investigations Symposium*

*Information Technology (IT) Conference*

*Information Technology (IT) Symposium*

*International Banking Conference*

*International Banking School*

*Instructor Training School*

*Payment Systems Risk Conference*

*Real Estate Appraisal Review School*

*REARS On-Line & Self-Study*

*Supervisory Updates and Emerging Issues*

*Testifying School*

# Advanced Bank Secrecy Act/Anti-Money Laundering (BSA/AML) Specialists Conference

## Summary

The *Advanced BSA/AML Specialists Conference* is an annual event designed to provide continuing education to BSA compliance specialists within the financial institution regulatory agencies. The content is focused on new or proposed guidance and regulations and BSA/AML compliance issues. The emphasis will be on advanced BSA/AML topics and emerging supervisory issues related to higher risk institutions, products, services, customers, and geographical locations. The conference may offer concurrent sessions with topics of various levels of complexity to allow attendees to focus on their specific interests. Content will change annually in response to current issues and industry and regulatory changes. Individual member agencies may establish separate agency breakouts following the conference, if desired.

## Objectives

Upon completing this conference, attendees will have gained knowledge that will be immediately applicable to the risk assessment and supervision of BSA/AML compliance programs. Attendees will enhance their knowledge of BSA/AML compliance issues related to higher risk institutions, products, services, customers, and geographical locations.

At the completion of this course, the participants should be able to:

- Apply enhanced knowledge of regulatory guidance, regulations, and procedures in the BSA compliance supervisory process;
- Recommend sound practices in BSA/AML compliance programs for financial institutions of various levels of complexity and;
- Identify money laundering and terrorist financing risks and other suspicious activity within a financial institution.

## Target Audience

The conference is intended for designated BSA compliance examiners (and other BSA subject matter experts) within the financial institution regulatory agencies who supervise institutions that offer higher risk products or services, are located in high risk regions, or market to high risk customers.

Those with responsibility for incorporating risk from these activities into overall supervisory plans and risk assessments for complex financial institutions also may benefit from the curriculum.

## Prerequisites

Individuals who attend this conference should have prior BSA/AML compliance examination training and relevant job experience.

## Length

The length of the *Advanced BSA/AML Specialists Conference* is 2½ days, beginning at 9:00 a.m. Monday and ending at 12:00 noon on Wednesday (ending time subject to change). The normal class day is 8 hours.

## Topics

The conference is designed to provide insight and information on current and emerging issues related to BSA/AML compliance. It will also provide information on changing regulatory guidance from the financial institution regulatory agencies, FinCEN, and OFAC. Therefore, the topics and speakers are refreshed annually. The program will include speakers from the financial industry, law enforcement, and regulatory agencies. The agenda for the conference will be available approximately 30 days prior to the event.

Potential General Topics Include:

- *Money Services Business*
- *Automated Clearing House (ACH) Transactions*
- *Stored Value Cards*
- *Foreign Correspondent Banking*

# Advanced Cash Flow Concepts and Analysis: Beyond the Numbers

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## Summary

*Advanced Cash Flow Concepts and Analysis: Beyond the Numbers* takes credit and cash flow skills to a significantly higher level. Focus includes cash flow alerts, cash flow traps, debt capacity analysis, and emphasis on tools to get behind the numbers in a highly efficient manner.

## Objectives

At the completion of the course, participants will be able to:

- Clearly understand appropriate uses of a range of cash flow measurements, including EBITDA, EBIT, Free Cash Flow, NOPAT, and others; to identify the appropriate cash flow measurement for the situation; and to recognize common misuses that may lead to credit problems.
- Go beyond traditional cash flow analysis to assess aggressive revenue recognition, expense deferrals, deferred taxes, and conventions employed in recent times to disguise problems; examiners will identify potential problems even when companies show positive earnings and positive operating cash flow.
- Broaden recognition of cash flow early warning signals to identify potential problems that have been missed by the industry in recent years
- Identify key lessons learned in economic cycles and draw on the best statistical predictors of resilience through the cycle.
- Recognize cash flow traps that bankers frequently “fall into” and successfully navigate through these traps.
- Implement new models for getting behind the numbers, identifying repayment sources with greater precision, and capturing the essence of the credit situation in a highly efficient manner — this includes a “3-minute tool” for capturing the essence of a cash flow situation.
- Apply latest debt capacity tools, including a cash flow test to assess “evergreen” revolvers.
- Identify industry excesses, such as the recent “enterprise value” loans and highly leveraged transactions, and employ a model to realistically assess these and other future industry excesses.

## Requirements

Participants must bring a calculator to class.

## Target Audience

The course is intended for seasoned commissioned examiners at all tenure levels. Attendees should have a strong working knowledge of commercial loans and a solid understanding of cash flow derivation from related financial statements.

## Length

The course is 4½ days beginning at 8:30 a.m. on Monday and ending on Friday at 12:00 noon. The normal class day is 8 hours.

## Pre-Course Study

Each participant’s training department will make the pre-course documents available approximately 10 weeks prior to the session. **The estimated time to complete the pre-course assignment is approximately 6 hours.**

## Topics

- Getting behind the numbers, capturing the essence of the credit in an efficient manner
- Learning tools for analyzing debt capacity
- Clarifying several cash flow measurements and their uses and misuses
- Identifying tactics borrowers have used to successfully hide problems
- Identifying non-cash in earnings
- Broadening recognition of warning signs
- Navigating through cash flow traps
- Applying lessons learned in cycles
- Helping the industry avoid excess

**Note:** This course compliments *Advanced Commercial Credit Analysis* and *Cash Flow Construction and Analysis from Federal Tax Returns*; however, none of the courses are prerequisites for each other. *Advanced Cash Flow Concepts and Analysis: Beyond the Numbers* focuses on the latest cash flow tools and techniques, on getting behind the numbers in a highly efficient manner to capture the essence of the credit situation, and overall on judgment in tough credit situations. *Advanced Commercial Credit Analysis* develops cash flow analysis and loan structuring skills for evaluating commercial credits. *Cash Flow Construction and Analysis from Federal Tax Returns* provides skills to construct a cash flow statement from individual, Sub S Corporations, and partnership returns.



# Advanced Commercial Credit Analysis

## Summary

*Advanced Commercial Credit Analysis* provides high-level skill development to rapidly identify and evaluate the true causes of present and prospective repayment difficulties of commercial borrowers. Learned techniques will be applicable to all types of loans including term loans, working capital loans, lines of credit, and project lending. The course also covers proper loan structuring to ensure the most favorable conditions for borrower repayment.

## Objectives

At the completion of this course, participants will be able to:

- Prepare a quick assessment to identify the cash flow issues of a particular credit relationship
- Ask key questions to determine financing needs and lending risks
- Separate current and long-term financing causes by assessing the relationship between liquidity and profitability
- Establish an approximate sustainable growth rate based on present Balance Sheet and Profit & Loss Statement information

## Target Audience

The course is intended for seasoned commissioned examiners at all tenure levels. Because of the small audience size and the intense pace of the session, attendees must have a strong working knowledge of commercial loans, have a solid understanding of sources and uses of cash, and be able to apply cash flow concepts.

## Length

The course is 3½ days, beginning on Tuesday at 8:00 a.m. and ending on Friday at 11:30 a.m. The normal class day is 8 hours.

## Requirements

Participants must have completed the pre-course assignment and reviewed the pre-course explanation packet. Participants should bring the following items to this course:

- A copy of the completed pre-course assignment
- A copy of the pre-course explanation packet (which will be sent after the completed pre-class assignment is submitted)
- A calculator

## Pre-Course Study

This course requires all participants to complete pre-course readings, complete and submit a pre-course assignment, and review a pre-course assignment explanation packet. Each participant's training department will make the pre-course documents available approximately 10 weeks prior to the session. The pre-course assignment requires students to answer questions and perform calculations. The completed assignment **must** be submitted to the FFIEC program administrator by the established due date (approximately 3 weeks prior to the session). The FFIEC program administrator will forward the completed pre-course assignments to the course instructor for review. Following receipt of the completed assignment, the FFIEC program administrator will e-mail an explanation packet to each participant. Reviewing the explanation packet will take additional time depending on the participant's comfort with the pre-course exercise topics. Upon arrival at the training center, participants will receive their corrected pre-course assignment from the instructor. **The estimated range of time to complete the pre-course readings and the pre-course assignment as well as review the pre-course assignment explanation packet is between 8 and 16 hours.**

## Topics

- Relationship of liquidity and profitability
- Sustainable growth and the cash flow implications
- Loan structuring
- Credit relationship strategies

**Note:** This course compliments *Advanced Cash Flow Concepts and Analysis: Beyond the Numbers* and *Cash Flow Construction and Analysis from Federal Tax Returns*; however, none of the courses is a prerequisite for any other. *Advanced Cash Flow Concepts and Analysis: Beyond the Numbers* focuses on the latest cash flow tools and techniques, on getting behind the numbers in a highly efficient manner to capture the essence of the credit situation, and overall on judgment in tough credit situations. *Advanced Commercial Credit Analysis* develops cash flow analysis and loan structuring skills for evaluating commercial credits. *Cash Flow Construction and Analysis from Federal Tax Returns* provides skills to construct a cash flow statement from individual, Sub S Corporations, and partnership returns.

# Advanced Fraud Investigation Techniques for Examiners\*

(Formerly Lead Investigation Specialists Workshop)

## Summary

The *Advanced Fraud Investigation Techniques for Examiners* course provides intensive exposure for examiners with investigation experience to hone their skills in interviewing, documenting, tracing, and managing fraud-related cases.

A complex case study, supplemented by guest speaker presentations, will comprise the bulk of the instruction. The faculty will consist of senior examiners with fraud investigation experience, FFIEC member agency attorneys, U.S. Department of Justice attorneys, and outside consultants serving as speakers, instructors, or coaches.

## Objectives

At the completion of the course, participants will have enhanced their skills in the following areas:

- Fraud and Suspicious Activity Detection
- Interviewing
- Documentation and Organization
- Investigation Management
- Tracing Activity and Investigation Techniques

## Target Audience

The *Advanced Fraud Investigation Techniques for Examiners* course is suitable for examiners who have been involved in fraud investigations, are designated as subject matter experts to participate in investigations, or have at least 10 years of financial institution examination experience. The number of participants per session should not exceed twenty.

## Pre-Course Study

Participants will be required to review several case studies prior to their attendance, which will prepare the student to actively participate in the interactive case study conducted throughout the course. Some out-of-class work may be required. The estimated time to review the pre-course is 3 hours.

## Prerequisites

Participants should have been involved in an investigation prior to taking this course or have attended prior training such as the Fundamentals of Fraud or Fraud Online courses.

## Length

The *Advanced Fraud Investigation Techniques for Examiners* course is a 4-day program. It starts on Monday at 1:00 p.m. and ends at 12:00 noon on Friday.

\* Name change only.

# Anti-Money Laundering (AML) Workshop

## Summary

The *Anti-Money Laundering Workshop* is offered to examiners both as an agency-only school and through the FFIEC as an interagency school. It was developed by the FFIEC member agencies.

## Objectives

At the conclusion of the school, examiners should be able to:

- Recognize potential money laundering risks confronting financial institutions
- Assess the adequacy of financial institution policies, procedures, and practices in complying with Anti-Money Laundering/Bank Secrecy Act Programs
- Maintain up-to-date knowledge of regulations and significant trends related to anti-money laundering through contacts provided

## Target Audience

The *Anti-Money Laundering Workshop* is designed for participants with examination knowledge of the Bank Secrecy Act and related regulations and experience in reviewing a financial institution's BSA program for compliance. A minimum requirement is to be familiar with Anti-Money Laundering review procedures, but experienced subject matter experts should **NOT** attend.

## Length

The 3½-day classroom portion includes lecture and interactive case studies. It begins on Tuesday at 9:00 a.m. and ends Friday at 12:00 noon. The CD contains reference material and will be distributed at the conclusion of the class. The normal class day is 8 hours.

## Pre-Course Study

The examiner's Washington training office will mail pre-course reading material to be completed before attending. This will be mailed approximately 4 weeks in advance of the session. The pre-course work should take no more than 2 hours to complete.

## Course Content

The course is a mix of agency specialist instruction, interactive case studies, and guest speaker lectures. The course provides a basic knowledge of the following topics related to Bank Secrecy Act and Anti-Money Laundering compliance:

- examination procedures, including scoping and planning and risk assessments;
- customer identification program and due diligence;
- electronic funds transfer;
- nonbank financial institutions, including money services businesses (MSBs);
- foreign correspondent banking;
- private banking;
- Suspicious Activity Reports (SARs);
- monitoring and reporting processes;
- the requirements of the Office of Foreign Asset Control (OFAC);
- Financial Crimes Enforcement Network (FinCEN) overview; and
- terrorist financing.

# Asset Management Forum

## Summary

The *Asset Management Forum* is an annual event designed to provide those examiners responsible for the supervision of trust and asset management activities with insight and information relating to developments in this industry. A major emphasis is on existing and emerging risks. This forum includes such diverse topics as legislative and other regulatory changes, technological advances, new product and service developments, and operational controls and audits. Portions of the forum may be divided into break-out sessions in order to allow attendees to focus on their specific interests. Industry experts make the presentations, supported by senior regulatory staff involved in trust and asset management functions. Topics vary from year to year on the basis of the needs expressed by examiners and on industry and regulatory changes.

## Objectives

Upon completing this forum, attendees will have current information that will be immediately applicable to the examination and risk assessment of trust and asset management activities.

## Target Audience

The conference is intended for trust and asset management examiners with a good working knowledge of all aspects of the supervisory process for these activities. Those with responsibility for incorporating risk from these activities into overall supervisory plans and risk assessments for institutions also benefit from the curriculum.

## Prerequisites

Individuals who attend this forum should possess basic trust examination education or experience.

## Length

The length of the *Asset Management Forum* varies but is typically 3 days. The event is often followed by separate agency break outs. The normal class day is 8 hours.

## Topics

The forum is designed to provide insight and information on current and emerging issues. Therefore, the topics and speakers are refreshed annually. The agenda for each year's event will be available approximately 45 days prior to the event.

# Basic International Banking Self-Study CD \*

## Summary

The *Basic International Banking Self-Study* course is taken at the examiner's office through the use of a self-study InfoBase CD and supplemental reading material. It provides examiners with a basic understanding of the structure of international banking activities in financial institutions and how such activities are supervised by the regulatory agencies. The material is designed to provide examiners who have little, if any, international examining responsibilities with a basic understanding of international banking supervisory matters, and is a prerequisite for the *International Banking School*. In addition, with the class offered in an InfoBase CD format it also can be used by examiners as a reference tool during examinations.

## Objectives

At the completion of the course, a participant will be able to:

- Outline the structure of international banking operations
- Apply a working knowledge of major international banking laws and regulations to the examination process
- Distinguish the types of international loans and the key features of a syndication and differentiate the risks of international lending from domestic lending
- Identify the policies and procedures that should be implemented by a bank active in international lending

- Distinguish the various kinds of foreign lending by borrower and geographics
- Recognize the range of trade finance instruments commonly used by banks; associated risks and the controls that should be in place to manage these risks; foreign exchange risks, strategies for risk, and exposure management and information systems
- Describe common capital market instruments, such as Eurobonds and medium-term notes, issued in various international markets and understand how the risks of an international security differ from a domestic instrument
- Differentiate between derivative contracts, including over-the-counter and exchange-traded, option-based and forward-based, and understand key risks applicable to these off-balance-sheet instruments

## Target Audience

*Basic International Banking Self-Study* is intended for examiners or analysts who fall within one of the following categories:

- ♦ Newly commissioned examiners who frequently have responsibilities for international banking operations
- ♦ Examiners or analysts with little or no prior international banking experience

\* Updated for 2008

# Capital Markets Conference

## Summary

The *Capital Markets Conference* is intended for those examiners who must integrate the risks inherent in capital markets activities into the overall risk profile of an institution during an examination or review of the institution. Examiners-in-charge and review examiners who need to develop greater familiarity with capital markets products, risks, and issues are examples of the intended audience for this conference.

## Objectives

At the completion of the course, a participant should be able to:

- Identify the characteristics, uses, and risks of capital markets activities currently in widespread use
- Analyze the impact on individual financial institutions of accounting rules and capital requirements
- Articulate earnings and market risk exposure for interest rate risk positions
- Discuss key elements in interest rate risk models
- Discuss liquidity
- Describe the fundamental principles of hedging
- Describe recent regulatory and accounting issues with securitization
- Address issues associated with alternative funding sources

## Target Audience

The *Capital Markets Conference* is designed for seasoned examiners, examiners-in-charge, review examiners, and surveillance examiners who need to develop more knowledge in the capital markets area. Participants should have basic skills in evaluating asset/liability management techniques. **Capital markets specialists and examiners who have had extensive advanced capital markets training should not attend this conference.**

## Length

The *Capital Markets Conference* is 3½ days. It begins on Tuesday at 9:00 a.m. and ends on Friday at 12:00 noon. The normal conference day is 8 hours of lectures and discussions.

## Topics

Topics are likely to change in order to address the most current issues in the marketplace. The following topics and their related accounting issues are likely to be addressed:

- ♦ *Measuring and Managing Interest Rate Risk*
- ♦ *Asset-backed Securities - Credit, Interest Rate, Market, Liquidity Risks*
- ♦ *Term Structure of Interest Rates*
- ♦ *Uses of Futures and Options*
- ♦ *Interagency Policy Statements*
- ♦ *Recent Market Developments/Products*
- ♦ *Accounting for Capital Market Products*
- ♦ *Assessment and Review of Risk Models*
- ♦ *Funding/Liquidity Issues*

## Requirements

**Attendees should bring a calculator capable of solving present value problems.**

# Capital Markets Specialists Conference

## Summary

The *Capital Markets Specialists Conference* is intended for those examiners who specialize in capital markets examinations activities at financial institutions and routinely assess these inherent risks in conjunction with the overall risk profile of an institution during an examination or review of the institution. Capital Markets Specialists and Review Examiners that review complex capital market products, risks, and issues are examples of the intended audience for this conference.

## Objectives

After attending this conference, attendees will be updated on current issues relevant to capital markets and regulatory issues. Attendees should gain increased awareness of financial instruments used in the markets and enhanced methods to evaluate the inherent risks that these instruments may possess.

At the completion of this course, a participant should be able to:

- Identify the risks, benefits, advantages, and disadvantages of capital markets instruments
- Analyze the impact of accounting rules and capital requirements on financial institutions
- Discuss key elements related to interest rate risk models
- Discuss and describe hedging activity
- Analyze risks associated with alternative funding sources

## Target Audience

The *Capital Markets Specialists Conference* is designed for examiners, review examiners, and surveillance examiners who need to develop more in-depth specialized knowledge in the capital markets area. Participants should be capital markets specialists and examiners who have had advanced capital markets training.

## Length

The length of the *Capital Markets Specialists Conference* varies but is typically 3 days. The event is often followed by separate agency breakouts. The normal conference day is 8 hours of lectures and discussions.

## Topics

Topics will change in order to address the most current issues in the marketplace. The following topics and their related accounting issues are likely to be addressed:

- ◆ *Asset/Liability Management*
- ◆ *Credit, Interest Rate, Market, and Liquidity Risks*
- ◆ *Fixed income market developments - economic environment*
- ◆ *Structured Financing*
- ◆ *Asset Based Structures*
- ◆ *Futures and Options*
- ◆ *Interagency Policy Statements*
- ◆ *Market Developments and Products*
- ◆ *Regulatory and Accounting Issues*
- ◆ *Risk Modeling and Simulations*
- ◆ *Credit Rating Strengths and Weaknesses*
- ◆ *Funding/Liquidity Issues*

# Cash Flow Construction and Analysis from Federal Tax Returns

## Summary

*Cash Flow Construction and Analysis from Federal Tax Returns* enables examiners to use federal tax returns to generate an accurate cash flow statement for an individual or business entity, to defend the cash flow statement construction, and to use the results in the credit analysis process.

Specific consideration has been given to increasing the participants' credit analysis capabilities while minimizing the time required for the credit review process. This is accomplished in part by providing the participant with a packet of job aids and worksheets to simplify the conversion of some of the more complicated tax returns into useful cash flow information.

## Objectives

At the completion of this course, participants will be able to:

- Explain how using the taxable AGI as a starting point for cash flow worksheets can lead to false cash flow calculations
- Review and critique a bank's cash flow analysis documentation to determine validity
- Identify the interrelationships of a borrower's various financial activities as presented on a tax return
- Identify information vital to a cash flow analysis within the tax return
- Convert items of income or loss per the return to their actual cash flow equivalent
- Analyze pass-through entity return information: partnerships, S corporations, estates, trusts, and REMICs, and explain the effects on a borrower's cash flow
- Use worksheets to quickly convert tax return line items into an accurate cash flow statement.

## Target Audience

The course is intended for seasoned commissioned examiners who regularly review commercial credits.

## Length

The course is 2½ days, beginning Tuesday at 8:00 a.m. and ending Thursday at 10:30 a.m. The normal class day is 8 hours.

## Pre-Course Study

Each participant's training department will hard mail a pre-course reading assignment approximately 10 weeks prior to the session. **The estimated time to complete the assignment is approximately 4 hours.**

## Requirements

Attendees must bring a calculator to class.

**Note:** This course complements *Advanced Cash Flow Concepts and Analysis: Beyond the Numbers* and *Advanced Commercial Credit Analysis*; however, none of the courses are prerequisites for each other. *Advanced Cash Flow Concepts and Analysis: Beyond the Numbers* focuses on the latest cash flow tools and techniques, on getting behind the numbers in a highly efficient manner to capture the essence of the credit situation, and overall on judgment in tough credit situations. *Advanced Commercial Credit Analysis* develops cash flow analysis and loan structuring skills for evaluating commercial credits. *Cash Flow Construction and Analysis from Federal Tax Returns* provides skills to construct a cash flow statement from individual, Sub S Corporations, and partnership returns.



# Community Financial Institutions Lending Forum

## Summary

The forum addresses credit-related issues impacting financial institutions whose asset size is under \$1 billion. The training is intended to heighten examiner awareness and increase knowledge regarding important or emerging credit-related topics confronting the financial institution and regulatory communities.

## Objectives

After attending the forum, participants will be able to:

- Discuss current economic conditions that affect institutions' lending activities and borrowers' repayment capacity
- Identify important or emerging lending-related trends and risks
- Apply developed skills, practical solutions, and effective approaches for managing lending-related risks
- Discuss applicable supervisory and industry changes

## Target Audience

The *Community Financial Institutions Lending Forum* is designed for commissioned or equivalent tenured field examiners who regularly examine or review the activities of community financial institutions with total assets under \$1 billion.

## Length

The *Community Financial Institutions Lending Forum* lasts 3½ days. It begins on Tuesday at 9:00 a.m. and ends on Friday at 12:00 noon. The normal class day is 8 hours.

## Pre-Course Study

Depending on the agenda, participants may be required to complete pre-course readings or a pre-course assignment to prepare for attendance at the forum. As necessary, each participant's training department will distribute pre-course materials to the participant approximately 8 weeks prior to the forum. The estimated time to complete any required pre-course study will be specified in the Memo to Attendees.

## Requirements

Attendees should bring a calculator.

## Topics

The forum is designed to provide insight and information on a variety of current and emerging lending-related topics. Presenters include both industry experts and regulatory personnel. Topics vary from year to year based on feedback from prior participants, needs expressed by examiners, industry and regulatory changes, and discussions with an interagency development group. The agenda for each forum should be available approximately 30 days prior to the session. The following topics are likely to be addressed:

- *Current Economic Conditions and Associated Trends in Lending*
- *Regulatory Guidance Updates*
- *Current Techniques and Trends in Analyzing Debt Payment Capacity*
- *Allowance for Loan and Lease Losses*
- *Problem Credit Characteristics and Identification Techniques*
- *Current Real Estate Appraisal Topics*

# Federal Reserve System Fraud Information Network: Fundamentals of Fraud Workshop



## Summary

The *Fundamentals of Fraud Workshop* was developed by the Fraud Information Network within the Federal Reserve System. This course has been slightly adapted for an interagency audience.

The course is designed to enhance participants' fraud knowledge, analytical skills, and examination skills. The course is divided into five modules and centers on a case study involving a one-week, on-site examination of a mythical bank. Each module begins with PowerPoint presentations that introduce participants to basic fraud concepts, techniques for detecting fraud, and other knowledge required for completing the case study.

## Course Content

For the case study, participants are assigned to small breakout groups to practice skills that lead to the discovery of fraud at a bank. In these groups, participants analyze documents and records from the bank, note their observations, and identify actions that should be taken next to determine if fraud exists. Each breakout group session builds on information from prior sessions and walks participants through steps necessary to determine the true nature of various transactions and accounts. A classroom debriefing where groups present their observations and recommended actions follows each skills practice session.

Each module concludes with a short video of examiners conducting the on-site bank examination. Examiners are shown reviewing and discussing the same documents participants reviewed in their breakout groups as well as identifying documents that will be reviewed in the next module. Additionally, the videos introduce new information relevant to uncovering fraud and resolve information that is not practical to address in the case study.

## Objectives

At the end of the course, participants will be able to:

- Describe the basic types of fraud
- Identify fraudulent activities
- Research transactions and trace funds
- Identify red flags
- Identify and manage documents
- Apply interviewing techniques
- Explain the requirements for filing Suspicious Activity Reports
- Explain the effects of fraud on a bank's risk profile
- Discuss enforcement actions

## Target Audience

The *Fundamentals of Fraud Workshop* is intended for examiners with a minimum of 18 months examination experience as well as seasoned examiners who wish to refresh examination skills involving transaction testing and funds tracing.

This course should be considered prior to requesting enrollment in the Advanced Fraud Investigation Techniques for Examiners course.

## Length

The length of the *Fundamentals of Fraud Workshop* is 2½ days, beginning at 9:00 a.m. on Tuesday and ending at 12:00 p.m. on Thursday. The normal class day is 8 hours.

# Financial Crimes Seminar

## Summary

The *Financial Crimes Seminar* provides commissioned examiners with a higher level of knowledge of fraudulent schemes and insider abuses.

## Objectives

At the completion of the course, a participant should have gained knowledge in:

- Current financial crimes impacting financial institutions
- Recognizing public company financial statement misrepresentations and other accounting schemes
- Potential insider abuse

## Target Audience

Each participant should be a commissioned safety and soundness examiner. This course should not be attended more than once within a 3-year period.

## Length

*Financial Crimes Seminar* is a 3½-day conference. The seminar begins on Tuesday at 9:00 a.m. and ends on Friday at 12:00 noon. The normal class day is 8 hours.

## Topics

The seminar topics should reflect the current fraud environment in the financial industry. Instructors may include staff from the FBI, the SEC, FinCen, Department of Justice, various regulatory agencies, industry specialists, accountants, and attorneys.

Topics are subject to change and may include:

- ◆ *Mortgage Fraud*
- ◆ *Identity Theft/ Cybercrimes*
- ◆ *Financial Statement Misrepresentation/Fraud*
- ◆ *Embezzlement/Insider Fraud Schemes*
- ◆ *Anti-Money Laundering*
- ◆ *Loan Fraud*
- ◆ *Other Emerging Financial Crimes*

# Fraud Identification Training

## On-Line Course

### Summary

This course is offered through a relationship with the Conference of State Banking Supervisors and eCollege.

*Fraud Identification Training* provides examiner staff with information on financial institution practices/procedures that are considered red flags, potential examination procedures that would identify such weaknesses, and the corrective measures needed to improve them.

### Objectives

At the completion of the course, a participant should be able to:

- Identify weaknesses in internal controls that may lead to fraud;
- Recognize "red flag" issues that may require additional examination procedures;
- Identify measures that could correct internal control weaknesses noted;
- Recognize the importance of investigating weak internal control programs; and
- Have the opportunity to question the instructor and other participants who may have been involved in investigating fraud cases through threaded discussion groups.

### Target Audience

Each participant should be a safety and soundness examiner with 1–3 years of experience. **This course is not intended for seasoned safety and soundness examiners.**

### Length

*Fraud Identification Training* is an on-line, interactive course constructed to be completed over 5 weeks. The actual time necessary to complete the course activities is approximately 8–10 hours per week, and all activities can be done via a dial-up 56K modem.

Interaction with other course participants will be available through the use of threaded discussion boards on each individual case study and other topics throughout the course

### Topics

The seminar is largely comprised of case studies drawn from member agencies. The instructor will be a seasoned financial institutions regulator and will facilitate discussion throughout the course.

Case study topics include

- ♦ *"Land flip" schemes*
- ♦ *Money Laundering*
- ♦ *Wire Transfer Fraud*
- ♦ *Check Kiting*
- ♦ *Insider Fraud*
- ♦ *Other Topics of Current Interest*

### Registration

Participants should apply to their respective agency training offices for approval to take this course.

Specific information regarding on-line registration will be sent to each individual participant upon agency approval.

# Fraud Investigations Symposium

## Summary

*Fraud Investigations Symposium* provides a forum for fraud detection specialists to discuss important fraud detection issues and develop recommendations for policies and procedures to address those issues.

The Symposium will be held on an **as-needed basis**. A different theme will be selected for each session. Themes will be decided by the FFIEC Task Force for Examiner Education in consultation with their respective agency subject matter experts or supervisors.

This program is different than most courses in that the participants will work together to discuss and construct a white paper based on their current knowledge of the subject selected and information provided by guest speakers.

## Objectives

At the completion of the course, a participant will have helped develop a white paper which:

- Defines the regulatory/examination issues involved in the symposium topic;
- Outlines recommended changes in regulations or examination procedures; and
- Makes recommendations to the supervision officials of the member agencies based on the conclusions reached in the symposium.

A participant should also gain increased working knowledge of theme-related fraud schemes and investigation and documentation methods.

## Prerequisites

Participants should have an active interest in discussing and developing recommendations for the selected topic. Participants may be asked to lead discussion groups and to outline or draft the white paper.

A significant portion of the 2 weeks will be devoted to developing and writing a white paper that could become the basis of a policy recommendation.

## Target Audience

The *Fraud Investigations Symposium* is aimed at examiners who are or have been involved in fraud examination or a subject matter expert in a field related to the topic theme. Selection will be made by the member agencies. It is anticipated each agency will furnish up to three participants with qualifications to assist in producing a white paper on the selected theme. Agencies are also encouraged to name one alternate.

Potential participants desiring information regarding conference themes and agency working group representation may contact the designated FFIEC Program Administrator.

## Length

The *Fraud Investigations Symposium* is a 10-day program. At least one participant from each agency will be required to stay a second week for the completion of the white paper. The normal class day is 8 hours. The writing group may continue to work on the completion of the white paper after the symposium ends. The completion process may last 3–6 months before final approval.

The White Paper developed from the 2003 Symposium, entitled "[The Detection, Investigation, and Deterrence of Mortgage Loan Fraud Involving Third Parties: A White Paper](http://www.ffiec.gov/exam/education.htm)," is available on the FFIEC Web site along with the 2002 White Paper, entitled "[The Detection, Investigation, and Prevention of Insider Loan Fraud: A White Paper](http://www.ffiec.gov/exam/education.htm)." <http://www.ffiec.gov/exam/education.htm>

# Information Technology (IT) Conference

## Summary

The *Information Technology Conference* is designed to update information technology examiners on current and prospective developments in the area of IT, systems controls, and security. Speakers for this program are nationally recognized industry leaders and, occasionally, senior staff members from regulatory agencies.

## Objectives

At the completion of the course, a participant should be able to:

- Identify the risks, benefits, advantages, and disadvantages of emerging technologies
- Discuss implementing leading-edge financial institution and data processor hardware and software, including security issues.

## Target Audience

The *Information Technology Conference* is directed at IT examiners and safety and soundness examiners with IT examination responsibility as identified by each agency.

## Length

The *Information Technology Conference* length may vary, but is likely to be 3 days. The normal class day is 8 hours. The event may be followed by separate regulatory agency break outs.

# Information Technology (IT) Symposium\*

## Summary

The *Information Technology Symposium* provides a forum for senior IT examiners to discuss significant, current or emerging issues related to information technology, to consult with external subject matter experts, and to develop recommendations for institutions, service providers, or examiners to address those issues.

The responsibility for organizing and conducting the symposium rotates among each of the five FFIEC agencies. The Information Technology Subcommittee of the FFIEC Task Force on Supervision (IT Subcommittee) selects the theme for the session based upon topics suggested by all of the agencies. Once the theme is selected, outside experts may be invited to lead discussions or serve as resources.

This program differs from most FFIEC courses in that it is not a training session, and the flow of information is expected to come from the external sources as well as the agencies' participants.

## Objectives

The objectives of the symposium are to assess the supervisory concerns that the selected topic poses to regulated financial institutions and to identify and evaluate controls and other means to mitigate those concerns. The analysis and other information resulting from the first week of the symposium will be used by participants to develop a recommendation for the IT Subcommittee to consider issuing a "white paper," policy statement, or guidance, or changes to the supervisory or examination processes relating to the symposium topic.

## Participant Profile

The *Information Technology Symposium* is aimed at IT examiners who are heavily involved in the supervision of complex financial institutions and technology service providers.

At least 5 years of IT examination experience is desirable. In addition, participants must possess a strong technical background related to the topic selected for the symposium.

Regional/district offices must carefully screen participants and substitute participants to ensure that all nominees meet these requirements.

## Prerequisites

Participants may be asked to review related articles and other material prior to the symposium. A significant portion of the symposium will be devoted to developing and drafting the proposal to the IT Subcommittee. Therefore, participants should have an active interest in discussing and developing IT-related policy and/or examination guidance and tools. Participants may be asked to lead discussion groups and to outline or draft policy recommendations for the IT Subcommittee.

## Length

The *Information Technology Symposium* is a 4½-day program beginning on Monday at 1:00 p.m. and ending on Friday at 12:00 noon. Some participants may be required to stay a second week, per their agencies' instructions, to complete the agreed upon draft.

## \* Joint project with the Task Force on Supervision on an as-needed basis.

- The information from the 2005 Symposium, "Authentication on an Internet Banking Environment," was released in October 2005 as FFIEC guidance.
- The information from the 2004 Symposium, "Risk Management of Free and Open Source Software," was released in October 2004 as FFIEC guidance.
- The information from the 2003 Symposium, "New Developments in Data Center Operations," was used to update the FFIEC IT Examination Handbook.

# Instructor Training School

## Summary

The *Instructor Training School* is designed to equip an instructor with fundamental teaching and coaching skills. Basic instruction and facilitation techniques, questioning techniques, lesson planning, and the preparation of audiovisual aids will be covered.

## Objectives

Participants will be able to:

- Use the two principles of instruction, differentiate the needs of the instructor and the learner, and identify learning styles and other factors that can affect learning
- Describe the Instructional Systems Design process and how that process can be used to develop a lesson plan, write learning objectives, and use a checklist to prepare the room
- Identify types of questions, use various questioning techniques, and identify techniques for handling student questions and comments in oral presentations
- Use effective presentation techniques and foster group dynamics and promote participation
- Apply the principles of classroom management and recognize the different learning needs of a diverse class
- Coach and facilitate others in both an individual and group environment

## Target Audience

*Instructor Training School* is intended for those who have been selected to teach in agency or FFIEC courses.

## Length

The *Instructor Training School* is a 4½-day course involving extensive class participation. It begins on Monday at 9:00 a.m. and ends on Friday at 11:30 a.m. The normal class day is approximately 8 hours of class activities including the practice instructions by the participants.

## Pre-Course Study

The participant is required to prepare, deliver, and evaluate the following types of instruction:

- 5-minute lecture
- 15-minute lecture with questions and visual aids, part of which will be visually recorded
- 15–20 minute group facilitation

Some additional preparation will be required. Students should bring their laptop computers for use in completing the preparation.

Each participant is required to bring resource materials that can be used as a basis for the three class practice instructions. These practice instructions should be on the same topic. Each participant is strongly encouraged to use a lesson plan or materials from the course the participant is scheduled to teach. If no lesson plan is available, the participant should bring materials on a familiar topic to develop and present during the school. No lesson plans or research facilities are provided for participant presentations.

## Post-Course Assignment

In order to reinforce new skills, the participant should be assigned to teach as soon as possible after completing this course.



# International Banking Conference

## Summary

The *International Banking Conference* updates participants on the latest developments in international banking activities. Supervisory issues and policies of the bank regulatory agencies will be discussed.

## Objectives

Upon completion of the conference, attendees will be updated on current issues in international banking and the regulatory responses to these developments.

## Target Audience

The intended audience is senior international examiners or senior examiners-in-charge as identified by each agency.

The conference is intended only for those examiners who regularly have senior responsibility in the international banking or financial arenas.

## Prerequisites

Participants must have attended the *International Banking School* or must be in charge of examinations of operations that engage in international banking activities.

## Length

The *International Banking Conference* length may vary but is usually 2–3 days. The normal class day is 8 hours.

## Topics

The topics have not yet been chosen; however, the following topics were presented in the previous conferences:

- ◆ *Supervisory Perspective on International Banking presented by a top regulatory official*
- ◆ *Update on the latest BIS initiatives and other supervisory matters*
- ◆ *Trends in International Lending and Capital Markets*
- ◆ *Country Risk Issues*

### NOTE:

The *International Banking Conference* is offered on an as-needed basis, typically every other year, as determined by the Task Force on Examiner Education. The most recent conference was held in July 2006. There is no conference scheduled for 2008.

Space is limited for this conference and those who do not have regular international examination responsibilities should not attend.

# International Banking School

## Summary

The *International Banking School* is designed to enhance the participants' knowledge of international banking activities in order to improve examination skills required in supervising these activities. The *International Banking School* is taught in a classroom/discussion setting in an interactive learning environment.

## Objectives

At the completion of the course, a participant will be able to:

- Distinguish the risk characteristics of common global securities in the proper economic and managerial context
- Analyze the risk characteristics of common derivative instruments from an asset/liability management perspective
- Analyze the various types of foreign exchange (FX) transactions, including FX derivatives
- Evaluate the risks associated with foreign exchange, such as exchange rate risk, interest rate risk, liquidity risk, credit risk, and business risk
- Evaluate FX risk control policies, risk management systems, and business procedures to control risk
- Analyze trade finance activities, including import letters of credit and similar instruments, and medium term financing facilities, as well as evaluate the associated risks and controls
- Analyze the major forces driving structural changes in international financial markets and the impact of these changes on the banking community
- Provide strong support in examinations of small-scale international banking activities

## Target Audience

The *International Banking School* is a specialized course not intended for all bank examiners. Rather, it is designed for examiners who have supervisory responsibilities for regional or multinational banks that are actively engaged in international banking activities and U.S. branches and agencies of foreign banks. This course is considered inappropriate for agency staff that has no international supervisory responsibilities.

## Prerequisites

In order to obtain a class with a uniform working knowledge of international banking and greater class participation, participants must have ongoing examination responsibilities in international banking that occur at least occasionally, if not frequently. It is recommended that attendees with an international banking background have at least 6 months to 1 year prior examination experience. Examiners who have had only occasional international responsibilities are required to have completed the FFIEC *Basic International Banking Self-Study* course. These prerequisites may be waived if the participant has **significant** international banking experience.

## Length

The *International Banking School* is a 4½-day course. It begins on Monday at 8:30 a.m. and ends on Friday at 12:00 noon. The normal class day is 8 hours.

## Requirements

Participants should bring a calculator capable of calculating present value.

# Payment Systems Risk Conference

## Summary

The *Payment Systems Risk Conference* addresses risks related to payment systems, identifies strategies and methods used to mitigate these risks, and provides examiners with knowledge and information that can be incorporated into the supervisory process. The conference also addresses technological and emerging issues and their impact on financial institutions and regulatory communities.

## Objectives

After attending the conference, participants will be able to:

- Apply knowledge and effective approaches for managing payment systems risk in the supervisory process
- Identify and discuss important and emerging risks to payment systems
- Discuss applicable systemic, regulatory, and industry perspectives

## Target Audience

The *Payment Systems Risk Conference* is designed for commissioned or equivalent tenured field examiners and regional/district office staff who have an interest and a need for developing a better understanding of the risks associated with payment systems.

## Length

The conference is 3½ days, beginning at 9:00 a.m. on Tuesday and ending at 12:00 noon on Friday. The normal class day is 8 hours.

## Topics

The conference is designed to provide insight and information on a variety of payment systems topics. Presenters include both industry experts and regulatory personnel. Topics vary from year to year on the basis of feedback from prior participants, needs expressed by examiners, industry and regulatory changes, and discussions with an interagency development group. The agenda for each forum should be available approximately 30 days prior to the session. The following are examples of topics that may be addressed:

- Overview of Wholesale and Retail Payment Systems
- Discussion of Wholesale Topics such as:
  - Interbank Payment and Messaging Systems
    - FedWire/FedLine Advantage
    - Clearing House Inter-Bank
    - National Settlement Service (NSS)
    - Society for Worldwide Interbank Financial Telecommunication (SWIFT)
    - Continuous Linked Settlement (CLS)
  - Securities Settlement Systems
    - U.S. Government Securities
    - Corporate and Municipal Securities
- Discussion of Retail Topics such as:
  - Check-Based Payments
  - Card-Based Electronic Payments
  - Other Electronic Payments
  - Automated Clearing House (ACH)
  - Merchant Processing
- Risk Mitigation Topics such as:
  - Daylight Overdrafts
  - Fraud Prevention
- Regulatory Changes and Other Emerging Issues

# Real Estate Appraisal Review School

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## Summary

The *Real Estate Appraisal Review School* provides examiners with the knowledge and skills required to review a commercial real estate appraisal and to determine compliance with agency appraisal regulations and the standards in the Uniform Standards of Professional Appraisal Practice (USPAP). Through case studies and exercises, examiners will evaluate real estate appraisal as a key component in the credit risk assessment process for commercial real estate loans. Examiners will learn how to identify the mistakes that appraisers most commonly make and to identify potential appraisal fraud.

## Objectives

At the completion of the course, participants will be able to:

- Identify the USPAP content that applies during an appraisal review
- Identify and understand the agency regulations and guidelines that govern appraisals
- Identify the physical and economic relevant property characteristics that affect the real estate collateral
- Use deductive reasoning to identify inappropriate appraisal procedures
- Use deductive reasoning to validate the consistency of information in an appraisal report
- Describe various types of appraisals and appraisal reports
- Explain the appraisal valuation process
- Describe the three approaches to value
- Identify common appraisal errors
- Identify potential fraud in appraisals
- Calculate estimated values based on revised appraisal assumptions
- Recognize and identify the strengths and weaknesses of emerging automated valuation tools

## Target Audience

The course is designed for examiners who need enhanced skills in reviewing and analyzing commercial real estate appraisals. Attendees should have experience evaluating commercial real estate loans and income-producing real estate lending.

## Length

The course is 4½ days, beginning at 9:00 a.m. on Monday and ending at 12:00 noon on Friday. The normal class day is 8 hours.

## Pre-Course Study

This course requires attendees to complete several paper-based self-study modules and complete and submit to the FFIEC a pre-course assessment before attending the classroom session. Each participant's training department will hard mail the pre-course materials approximately 10 weeks prior to the session. **The modules and the assessment will require approximately 40 hours to complete**, and they provide the foundation of the appraisal preparation theory and process. This volume of pre-course material allows for the most efficient use of the in-class workshop time where the focus will be on the appraisal review process and case studies.

*At an additional cost, the self-study material can be completed using an on-line format that requires approximately 8 hours per week for 5 weeks. Participants should apply to their training offices for approval to take the on-line course.*

## Requirements

Attendees must bring a calculator that performs present value and future value calculations and a laptop computer with a CD drive to class.

# Real Estate Appraisal Review Self-Study On-Line Course

## Summary

The *Real Estate Appraisal Review Self-Study Course* provides financial institution examiners with a foundation for further basic training in real estate appraisal preparation theory and process. Participants will review written materials, review case studies, and complete a self-assessment at the conclusion of the course.

## Objectives

At the completion of the course, a participant will be able to:

- Explain the USPAP requirements and the federal regulations governing appraisals
- Describe the various types of appraisal reports
- Explain the appraisal valuation process
- Describe the three approaches to value
- Identify some common appraisal errors

## Target Audience

The course is designed to augment examiners' understanding of the appraisal review process and enhance their ability to review commercial real estate appraisals.

## Length

The self-study course will require approximately 40 hours to complete.

## Modules

- ◆ *Introduction to Course*
- ◆ *Appraisal Regulations and Standards*
- ◆ *Concepts of Value*
- ◆ *The Appraisal Process*
- ◆ *Property and Market Analysis*
- ◆ *Land Valuation*
- ◆ *Depreciation*
- ◆ *Cost Approach*
- ◆ *Sales Comparison Approach*
- ◆ *Income Approach*
- ◆ *Appraisal Case Study Analysis*
- ◆ *Glossary and Regulation Reference*

## Requirements

Participants will need a calculator that performs present value and future value calculations.

**Note: While not required, this course should ideally be followed by the onsite Real Estate Appraisal Review School. Correspondingly, those who have attended the Real Estate Appraisal Review School should not take this class. This self-study course is the same as the pre-course work for that class.**

**Participants should apply to their respective agency training offices for approval to take this course. Specific information regarding on-line registration will be sent to each individual participant upon agency approval.**

# Supervisory Updates and Emerging Issues Conference

## Summary

The *Supervisory Updates and Emerging Issues Conference* seeks to provide authoritative analyses of emerging issues confronting the regulatory and banking communities. Each session will provide discussion on approximately twelve important or emerging topics. Experience has shown that the content of these sessions leverages examiners' knowledge by exposing them to subject matter experts possessing the latest information. Since knowledge at this level is difficult to obtain in the field, examiners can more readily identify and discuss emerging risks at their institutions.

## Objectives

Upon completing the course, participants will be able to:

- Discuss current trends and emerging issues
- Identify key risk issues
- Recommend best practices

## Target Audience

The *Supervisory Updates and Emerging Issues Conference* is intended for commissioned examiners of any tenure.

## Length

The *Supervisory Updates and Emerging Issues Conference* lasts for 3½ days. It begins on Tuesday at 9:00 a.m. and ends on Friday at 12:00 noon.

## Topics

Topics for the *Supervisory Updates and Emerging Issues Conference* are based on feedback from prior participants and discussions with interagency employees.

# Testifying School

## Summary

*Testifying School* participants learn to present findings as an expert witness through depositions and in-court testimony. Participants testify in mock trial role play, with attorneys serving as instructors, judges, prosecutors and defense attorneys. Direct and cross examination techniques will be used. Constructive feedback will be given by other participants, as well as instructors from the U.S. Department of Justice and a retired federal judge. Each participant will receive a videotape of his/her deposition and in-court testimony.

## Objectives

At the completion of the course, a participant will be able to:

- Present evidence in a highly credible manner at depositions, hearings, and trials
- Respond appropriately to defense attorney cross examination tactics and questions from the presiding judge
- Recognize the aspects of proper documentation of criminal referrals

## Target Audience

*Testifying School* is designed for commissioned examiners who are scheduled to testify or are likely to testify in the near future. It is not an automatic follow-up to the FFIEC *Financial Crimes Seminar*. *Testifying School* is intended as a supplement to preparation provided by agency attorneys. **Only examiners who expect to testify are encouraged to apply.** Exceptions must be reviewed by the nominee's training headquarters.

## Prerequisites

Each attendee is expected to have a very good working knowledge of the case study, **prior** to the start of the course, **and to bring the notebook to class.**

## Length

*Testifying School* is a 3½-day course. It begins on Tuesday at 9:00 a.m. and ends on Friday at 12:00 noon. The normal class day is 8 hours.

## Pre-Course Study

The FFIEC will mail the course notebook containing the case study and documentation to each participant approximately 3 weeks prior to the beginning of the course. Participants who do not have a good working knowledge of the case **prior** to the course should not attend. The case study requires approximately 6 hours of study time.

## Post-Course Assignment

It is expected that the participant will testify at a deposition, hearing, or trial soon after completion of the course.

## Topics

Topics may vary somewhat from session to session. It is, however, expected that the following topics will be covered:

- ♦ *Effective Testimony*
- ♦ *Testifying in Depositions*
- ♦ *Testifying in a Hearing*
- ♦ *A Judicial Perspective*

# FFIEC InfoBase and Training CDs

## Overview

During 1999, the FFIEC Examination Council requested the FFIEC Examiner Education Office develop new methods to provide information or training quickly to examiners when a new interagency policy statement or regulation was issued. In response, the Examiner Education Office created the FFIEC InfoBase, a vehicle that will enable prompt delivery of introductory, reference, and educational training material on specific topics of interest to field examiners. The design format is appropriate for an easily updateable interagency Web site. However, the initial distribution is being made on CD to accommodate examiners with limited Internet access. The current CD thus represents a hybrid browser-based delivery method that may easily be transported to an updateable interagency Web site in the future when more examiners have access.

## CD Contents

The CD contains the browser-based "Web site" that will provide the user with structured access to training and reference materials. The Task Force on Examiner Education approves selected topics. The CD content is guided by FFIEC working groups comprised of representatives of the agencies with in-depth knowledge of the topic. Reference information is available in portable document format (PDF). In addition to agency policy statements, examination procedures, and other reference documents, the CD contains training modules delivered via narrated PowerPoint presentations. A multimedia PC using a standard web browser with Macromedia Flash and Adobe Acrobat Reader is required for use.

The FFIEC Examiner Education Office welcomes all comments, suggestions, and observations concerning this InfoBase. E-mail should be directed to [FFIECInfoBase@frb.gov](mailto:FFIECInfoBase@frb.gov).

## Distribution

The Task Force on Examiner Education establishes the number of CDs to be distributed to each agency as topics are identified and developed.

## Bank Secrecy Act/Anti-Money Laundering

The nucleus of this InfoBase is the *FFIEC Bank Secrecy Act Anti-Money Laundering Examination Manual*, which is supplemented by a variety of auxiliary materials relating to various aspects of the Bank Secrecy Act and anti-money laundering topics. The manual itself, over 300 pages in length, is divided into four sections: An introduction, a core section with overviews and procedures, an expanded section with overviews and procedures, and a comprehensive appendix.

## Check 21 InfoBase

The Check 21 InfoBase was issued in October 2004 and is designed to provide resources to understand the compliance implications of the Check Clearing for the 21st Century Act (Check 21).

This InfoBase contains a training presentation that provides a concise overview of the Act and its implementing regulation, an example of check processing under Check 21, information on consumer compliance and other requirements, and an explanation of the examination concepts for consumer compliance issues.



## FFIEC InfoBase and Training CDs (continued)

### IT Handbook

The last version of the FFIEC IT Examination Handbook was issued in 1996 and included two extensive volumes of over seven hundred pages. An interagency working group, composed of representatives from each of the five FFIEC member agencies, developed this version and the current revision cycle to release a series of topical booklets, rather than one handbook. This approach allows updates to be made in smaller, more manageable segments of information. Thus, the 1996 IS Handbook was replaced one section at a time, with the release of a series of IT Handbook Booklets issued over a period of months. Each booklet was released as it was completed and will be updated as a stand-alone document, as changes in IT technology and the evolution of standards related to financial institution IT practices necessitate. The current set of booklets covers the twelve topics below:

- Business continuity planning
- Development and acquisition
- Electronic banking
- FedLine®
- Information security
- IT Audit
- IT Management
- Operations
- Outsourcing
- Retail payment systems
- Supervision of technology service providers
- Wholesale payment systems

All the booklets are currently available electronically in this InfoBase and on each of the FFIEC member agency Intranets, as well as on the FFIEC public Web site.

### Privacy of Financial Information

The *Privacy of Financial Information CD* was issued in July 2001 and contains a series of reference materials, regulations, examination procedures, and 12 narrated slide presentations on the GLBA Financial Privacy Regulations. The Interagency Compliance Examination Procedures documentation is provided in HTML format with a concurrent frame containing links to specific sections of the regulation relative to the examination procedure.

## FFIEC Member Agency Training Contacts

### Board of Governors of the Federal Reserve System

Division of Banking Supervision and Regulation  
System Examiner Education Program  
Washington, DC 20551-0001

Telephone: (202) 973-5075  
FAX: (202) 973-5062  
Internet: [www.federalreserve.gov](http://www.federalreserve.gov)

### Foreign Supervisory Authorities

Most Federal Reserve System courses listed in this catalogue are not open to staff from foreign supervisory authorities. The Federal Reserve offers a somewhat different set of training programs specifically designed for and offered exclusively to staff and officials from non-U.S. supervisory authorities. For a copy of the Federal Reserve's international catalogue, please contact Mr. Sarkis Yoghourtdjian via e-mail at [sarkis.yoghourtdjian@frb.gov](mailto:sarkis.yoghourtdjian@frb.gov) or by phone at 202-452-3193."

### Federal Deposit Insurance Corporation

Corporate University  
3501 Fairfax Drive, Room A 3034  
Arlington, VA 22226-3500

Telephone: (703) 516-1026  
FAX: (703) 516-1002  
Internet: [www.fdic.gov](http://www.fdic.gov)

### National Credit Union Administration

Training Center  
Office of Training and Development  
1775 Duke Street  
Alexandria, Virginia 22314

Telephone: (703) 518-6630  
FAX: (703) 518-6655  
Internet: [www.ncua.gov](http://www.ncua.gov)

### Office of the Comptroller of the Currency

250 E Street, SW  
Mail Stop WLC-1  
Washington, DC 20219

Telephone: (202) 874-8008  
FAX: (202) 874-7764  
Internet: [www.occ.treas.gov](http://www.occ.treas.gov)

### Office of Thrift Supervision

1700 G Street, NW  
Washington, DC 20552

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