

# FFIEC

# Examiner Education

## 2011

### Course Catalogue

2nd Edition – November, 2010



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

# 2011 Course Catalogue

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## **Overview**



## Introduction

This catalogue contains brief descriptions of the examiner training programs offered by the FFIEC Examiner Education Office.

The FFIEC calendar is planned in response to the requests received from the member agencies, 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 Federal regulatory agency has a training contact that will assist in registration for FFIEC courses. The contacts are provided on the last page of this catalogue for your convenience.

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

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.

## Continuing Education Credits

Several of the FFIEC courses are assessed and approved annually for continuing education credits. The type of approval and credit hours are summarized below.

The Association of Certified Anti-Money Laundering Specialists (ACAMS) has reviewed the course content and determined that attendees of the Anti-Money Laundering Workshop can earn 15 Certified Anti-Money Laundering Specialists (CAMS) credits toward maintaining their certification.

The Capital Markets Specialist Conference is assessed annually for continuing education credits from the CFA Institute. Once the conference is approved and you would like to request CFA credits for your attendance, please bring your membership number to the conference and the FFIEC staff will submit your name for credit.

Certified Public Accountants can receive continuing professional education (CPE) credits for the following courses:

- Advanced Cash Flow Concepts and Analysis: Beyond the Numbers – 35 Credit Hours
- Advanced Commercial Credit Analysis – 26 Credit Hours
- Advanced Fraud Investigation Techniques for Examiners – 29.5 Credit Hours
  - Fulfills the continuing education requirement for CFE's
- Cash Flow Construction & Analysis from Federal Tax Returns – 20 Credit Hours
- Commercial Real Estate Analysis for Financial Institution Examiners – 31 Credit Hours
- Fundamentals of Fraud – 23 Credit Hours
  - Fulfills the continuing education requirement for CFE's
- Real Estate Appraisal School – 38.5 Credit Hours

Granting of CPE credit for FFIEC courses is approved through the Federal Deposit Insurance Corporation (FDIC), the program sponsor. It is the responsibility of the program sponsor to assure that the program development and quality complies with the National Association of State Boards of Accountancy (NASBA) standards. The FDIC is registered with NASBA as a sponsor of continuing professional education on the National Registry of CPE Sponsors. State boards of accountancy have final authority on the acceptance of individual courses for CPE credit. Complaints regarding registered sponsors may be addressed to the National Registry of CPE Sponsors, 150 Fourth Avenue North, Suite 700, Nashville, TN, 37219-2417. Website: [www.nasba.org](http://www.nasba.org)

## 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 part of its mandate, the Council conducts training programs for federal and state financial institution 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, cost-effective and 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 94,000 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 and CSBS who oversee examiner training. Programs are expressly designed to meet the needs of post-commissioned 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 “Just in Time” training as 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. InfoBase products are also available on the [www.ffiec.gov](http://www.ffiec.gov) website.

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 21st 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/exam](http://www.ffiec.gov/exam).

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.

In 2008 the EEO, working with the IT Subcommittee created a standalone CD-based training product for agency personnel regarding the financial analysis of technology service providers (TSP). This CD is available and will serve as a tool for member agency staff who want additional information on TSP.

In 2010, the EEO released a White Paper entitled “The Detection and Deterrence of Mortgage Fraud Against Financial Institutions: A White Paper” and can be found in [www.ffiec.gov/exam](http://www.ffiec.gov/exam).

Karen K. Smith, Manager, Examiner Education, May 1, 2010

## 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. However, the Basic International Banking Self-Study CD is available to the public at cost.

### 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 in the FFIEC Member Agency Training Contacts page.

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 2011 will vary by class size, amount of course materials, number of outside instructors, etc. and may vary from 2010 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 auditoriums 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 by the direction of your member agency training office, unless noted differently in the attendee memo.

### Attendee Memo and Pre-Course Assignment Materials

The registering member agency will send an attendee memo and pre-course assignment materials, if applicable, to each of its participants at least 30 days prior to the session date. The attendee memo 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 the member agency training offices for distribution to each participant or the materials will be imbedded in the FFIEC's Attendee Memo.

### 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, athletic shoes, T-shirts, jeans, and shorts are inappropriate.

### Course Prerequisites

Participants should meet all course or conference prerequisites as stated in the course description or attendee memo. When in doubt, call the registering agency's training headquarters or a Senior Program Administrator to determine eligibility. FFIEC Senior Program Administrators are listed on the next page.



## Senior Program Administrators and Course Listing

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**Questions?**

For more information call, write or e-mail.

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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*

*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*

*Commercial Real Estate Analysis for  
Financial Institution Examiners*

*Community Financial Institutions Lending  
Forum*

*Distressed Commercial Real Estate*

*Financial Crimes Seminar*

*Fraud Identification Training On-Line Course*

*Fraud Investigations Symposium*

*Fundamentals of Fraud Workshop*

*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 I (Self-  
Study On-Line Course)*

*Real Estate Appraisal Review School II*

*Structured Finance: Investment Analysis &  
Risk Management*

*Supervisory Updates and Emerging Issues*

*Testifying School*

## **FFIEC Examiner Programs**



## **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 examiners with specialized BSA experience within the financial institution regulatory agencies. The content is focused on new or proposed guidance and regulations and BSA/AML compliance issues. The emphasis is 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 changes 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.

After attending the conference, the participants should have a heightened awareness of:

- Regulatory guidance, regulations, and procedures in the BSA compliance supervision process;
- Sound practices in BSA/AML compliance programs for financial institutions of various levels of complexity and;
- How to identify money laundering and terrorist financing risks and other suspicious activity within a financial institution.

### **Target Audience**

The conference is intended for examiners with specialized BSA experience (and for 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* may vary, but is likely to be 2 ½ days. The event may be followed by separate regulatory agency breakouts. The normal conference day is 8 hours of lecture and discussions.

### **Topics**

The conference is designed to provide insight and information on current emerging issues related to BSA/AML compliance. It also provides information on changing regulatory guidance from the financial institution regulatory agencies, FinCEN, and OFAC. Therefore, the topics and speakers are refreshed annually. The program includes 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.

# 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. The class instruction is based on a facilitation style of teaching. Course materials are centered around case studies and exercises based on actual scenarios.

## 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.

## 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. Examiners who are expected to participate on shared national credit examinations or who have experience reviewing complex credits may benefit from taking this course.

## Length

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

## Pre-Course Study

FFIEC provides each agency training department the pre-course documents approximately 10 weeks prior to the session. The pre-course material is also embedded within the Attendee Memo. The estimated time to complete the pre-course assignment is approximately 6 hours.

## Requirements

Participants must bring a calculator to class.

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 & 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.



**35 Credit Hours**

# Advanced Commercial Credit Analysis

## Summary

FFIEC's *Advanced Commercial Credit Analysis* (ACCA) course has been designed to teach commissioned examiners the principles of how to identify credit risk in commercial and corporate transactions and to assess how that risk is mitigated through transaction structuring. The course focuses on understanding the role of credit risk analysis and transaction structuring in the context of a loan review. The right structure ensures debt holders the best chance of repayment from cash flow or from the liquidation of assets, a secondary and alternative source of repayment.

## Objectives

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

- Determine the purpose or cause of a loan, the sources of repayment, and the role of capital structure in the transaction.
- Review the role of loan covenants in a loan agreement and their impact on mitigating risk in the transaction structure.
- Analyze the following loan structure:
  - o Seasonal loans
  - o Permanent working capital loans
  - o Term loans
- Identify risk mitigation strategies associated with lending to holding companies.
- Evaluate the credit risk and capital structure of an acquisition transaction.

## 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 3 ½ days. It begins on either Monday or Tuesday at 8:30 a.m. and ends on Thursday or Friday at 11:30 a.m. The normal class day is 8 hours.

## Requirements

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

- A copy of the completed pre-course assignment
- A calculator

## Pre-Course Study

This course requires all participants to complete pre-course readings and submit a pre-course assignment. FFIEC provides each agency training department the pre-course documents approximately 10 weeks prior to the session. The pre-course material is also embedded within the Attendee Memo. The estimated range of time to complete the pre-course readings and the pre-course assignment is between 8 and 16 hours.

## Topics

- Loan structuring appropriate to borrowers' needs.
- Assessing credit structure based on borrower projections.
- Sustainable growth and the cash flow implications.

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.



26 Credit Hours

# Advanced Fraud Investigation Techniques for Examiners

## Summary

The *Advanced Fraud Investigation Techniques for Examiners* course provides intensive exposure for examiners with fraud examination background to enhance 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 class facilitators will consist of senior examiners with fraud investigation experience, FFIEC member agency attorney's, 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.

## Prerequisites

Participants should have been involved in an investigation prior to taking this course. Prior to taking this course, examiners are required to take either the *Fundamentals of Fraud, Fraud Identification - On-line* course, the new FDIC simulation CD, or a similar course with a concentration on tracing skills.

## Length

The *Advanced Fraud Investigation Techniques for Examiners* course is 4 days. It begins on Monday at 1:00 p.m. and ends on Friday at 12:00 noon. The normal class day is 8 hours.

## Pre-Course Study

Participants will be required to review case study documents prior to their attendance, which will prepare the student to actively participate in the interactive case study conducted throughout the course. The estimated time to review the pre-course is three hours.

## Requirements

Please note the new prerequisites requirement beginning 2010.



**29.5 Credit Hours**

## 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 Bank Secrecy Act (BSA)/AML Programs
- Maintain up-to-date knowledge of regulations and significant trends related to AML 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 AML review procedures, but experienced subject matter experts should NOT attend.

### Length

The 3 ½ day classroom portion includes lecture and interactive case studies. It begins on Monday at 9:00 a.m. and ends Thursday at 12:00 noon. The normal class day is 8 hours.

### Pre-Course Study

Participants should read the pre-course material before attending. FFIEC provides each agency training department the pre-course documents approximately 10 weeks prior to the session. The pre-course material is also embedded within the Attendee Memo. The estimated time to review the pre-course material is two hours.

### Topics

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 BSA and AML 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 (MSB's)
- 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
- Terrorist financing

**CAMS**  
Certified  
Anti-Money  
Laundering  
Specialist®



## 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 concurrent sessions in order to allow attendees to focus on their specific interests. Industry experts deliver most of the presentations, while some topics are covered 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 obtained knowledge of current information that will be immediately applicable to the examination and risk assessment of trust and asset management activities.

### Target Audience

The forum 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 knowledge or experience.

### Length

The length of the *Asset Management Forum* varies, but is typically between 2 ½ to 3 days. The event may be followed by individual agency sessions. The normal conference day is 8 hours of lecture and discussions.

### 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 30 days prior to the event.

## Basic International Banking Self-Study CD

### Summary

The *Basic International Banking Self-Study* course is delivered on an InfoBase CD and includes supplemental reading material to be completed at the student's locality. The course 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 examination responsibilities with a basic understanding of international banking supervisory matters, and is a **prerequisite for the International Banking School**. It may also 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 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 geographies
- 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 and strategies for risk
- Describe common capital market instruments 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

\* The International Banking Self-Study CD is available to the public at cost.

## Capital Markets Conference

### Summary

The *Capital Markets Conference* is an intermediate level course focusing on the understanding and risks associated with capital market products prevalent in regulated financial institutions. In addition, content will include financial institution investment analysis and strategy and liquidity and interest rate risk management.

Topics historically include Understanding Derivatives and Securitizations, Investment Portfolio Analysis, Liquidity and Interest Rate Risk Management, Relevant Accounting Issues, and Current Regulatory Issues related to Liquidity and /or the Sensitivity to Market Risk.

### Objectives

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

- Identify the characteristics, uses, and risks of common capital markets activities
- Articulate earnings and market risk exposure for interest rate risk positions
- Describe the fundamental principals of hedging positions
- Describe recent regulatory and accounting issues related to capital markets activities
- Recognize adequate liquidity management, including contingency funding plans

### Target Audience

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. Participants should have basic skills in evaluating asset/liability management techniques. Capital markets specialists and examiners who have extensive advanced capital markets training should **not** attend this conference.

### Length

The *Capital Markets Conference* is 3 ½ days. It typically begins on Monday at 9:00 a.m. and ends on Thursday at 12:00 noon. The normal conference day is 8 hours of lectures and discussions.

## Capital Markets Specialists Conference

### Summary

The *Capital Markets Specialists Conference* is an annual event designed to provide those examiners responsible for the supervision of capital markets and liquidity activity with insight and information relating to new products, management processes, and emerging risks in this area.

Topics vary from year to year on the basis of the needs expressed by examiners and on industry and regulatory changes. The content is delivered by a mix of industry experts and senior supervisory staff from the FFIEC agencies.

### Objectives

After attending this conference, a participant should be able to:

- Discuss and respond to current regulatory changes and supervision issues relevant to capital markets and liquidity management
- Recognize risks in emerging or complex financial instruments used in financial institutions and the enhanced methods used to evaluate and monitor the risks

### Target Audience

The *Capital Markets Specialists Conference* is intended for those examiners who specialize in capital markets examination activities at financial institutions and routinely assess the inherent risks in conjunction with the overall risk profile of an institution during an examination or review of the institution. It is also beneficial for those who need to develop more in-depth specialized knowledge in the capital markets area. Capital Markets Specialists and Review Examiners that review complex capital market products, risks, and issues are examples of the intended audience for this conference.

### Length

The length of the *Capital Markets Specialists Conference* varies but is typically 2 ½ days. The event maybe followed by separate agency breakouts. The normal conference day is 8 hours of lecture and discussions.

### Topics

The topics and speakers are refreshed annually. Therefore the agenda for each year's event will be available approximately 30 days prior to the event.

### Continuing Education Credits

The Capital Markets Specialist Conference is assessed annually for continuing education credits from the CFA Institute.

# 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.

The purpose of the course is to use tax returns and financial statements to help estimate a business's or individual's ability to service debt. (Examiners will find the cash flow concepts and worksheets helpful in assessing the level of credit risk and the likelihood of debt repayment ability.)

## Objectives

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

- Analyze business and individual financial statements to evaluate the resources available to pay loans
- Estimate and analyze cash flow for business and individual tax returns
- Discuss tax fundamentals including:
  - How taxes influence cash flow
  - How taxes influence the customer's operations

## Target Audience

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

## Length

The course is 2 ½ days. It begins on Tuesday at 8:30 a.m. and ends Thursday at 12:00 noon. The normal class day is 8 hours.

## Pre-Course Study

FFIEC provides each agency training department the pre-course documents approximately 10 weeks prior to the session. The pre-course material is also embedded within the Attendee Memo. 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.



**20 Credit Hours**

# Commercial Real Estate Analysis for Financial Institution Examiners

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## Summary

*Commercial Real Estate Analysis for Financial Institution Examiners* provides in – depth analysis of risk in real estate lending. Focus includes builder-developer and investor real estate credits, including lot development, residential construction, retail, multi-family, industrial, medical buildings, condo conversions, storage facilities, and office buildings. Emphasis includes a deep probing of risk often missed by lenders, and special issues related to the real estate cycle, including analysis of “performing non-performing” loans. The class instruction is based on a facilitation style of teaching. Course materials are centered around case studies and exercises based on actual scenarios.

## Objectives

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

- Understand and discuss the risks of the various sectors of the CRE market and CRE lending
- Discuss concepts for the proper loan structure of CRE loans to minimize risk to financial institutions
- Effectively analyze and rate a CRE credit by assessing the ability of the borrower to repay the loan under the current loan structure
- Apply real estate math concepts to validate the appraisal or repayment source
- Identify limitations of a borrower using global cash flow analysis and qualitative factors
- Assess CRE market conditions or trends using qualitative factors introduced in the course

## Target Audience

The course is intended for seasoned commissioned examiners at all tenure levels. Attendees should have a working knowledge of commercial real estate loans.

## Length

The course is 4 ½ days. It begins on Monday at 8:30 a.m. and ends Friday at 12:00 noon. The normal class day is 8 hours.

## Pre-Course Study

FFIEC provides each agency training department the pre-course documents approximately 10 weeks prior to the session. The pre-course material is also embedded within the Attendee Memo. The estimated time to complete the pre-course assignment is approximately six hours.

## Requirements

Attendees must bring a calculator to class.



**31 Credit Hours**

## Community Financial Institutions Lending Forum

### Summary

The *Community Financial Institutions Lending Forum* addresses credit-related issues impacting financial institutions whose asset size is under \$1 billion. The training is intended to promote examiner understanding and increase knowledge regarding important or emerging credit-related topics confronting the financial institution and regulatory communities.

### Objectives

After attending the forum, participants should have a heightened awareness of:

- Current economic conditions that affect institutions' lending activities and borrowers' repayment capacity
- Emerging lending-related risks
- Practical solutions, for managing lending-related risks
- Updates on regulatory 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* is a 3 ½ day conference. It begins on Monday at 9:00 a.m. and ends on Thursday at 12:00 noon. The normal conference day is 8 hours of lectures and discussions.

### 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. FFIEC provides each agency training department the pre-course documents approximately 10 weeks prior to the forum. The pre-course material is also embedded within the Attendee Memo. The estimated time to complete any required pre-course study will be specified in the Attendee Memo.

### 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.

### Requirements

Attendees should bring a calculator.



## **Summary**

The overall objective of *Distressed Commercial Real Estate* would be to assist examiners with evaluating distressed commercial real estate. The goal would be to equip examiners with the knowledge needed to evaluate the financial institutions method for reviewing appraisals, management's approach to loan workout practices, and the effects their decisions may have on capital.

Work groups will examine case study scenarios and provide their solutions or suggestions for resolution based upon the given circumstances.

Classroom methods will include lecture, work group sessions and individual problem solving.

## **Objectives**

### Appraisal Review

- Identify sources to assess the absorption period for a sell-out project projected in an existing appraisal report
- Validate a prior appraisal report on an existing project using current data
- Estimate the impact on the value if the highest and best use of the project has changed.
- Use spreadsheet models to perform valuation scenarios to construct a range of value for a sell-out project
- Assess if unfunded commitments for a future development should be considered feasible
- Validate the capitalization rate applied in an existing appraisal or develop a new rate range for a current analysis
- Assess if a lending institution is utilizing an appropriate engagement letter and scope for the type of transaction
- Determine the information needed from the institution for the examiner to appropriately review a project appraisal or to form a revised current value estimate

### Underwriting

- Evaluate the lender with respect to workout strategies: consideration of a range of workout strategies; consideration of all

appropriate issues; and focus and analysis in support of the selected strategy

- Analyze the project income in support of the loan and the workout strategy
- Evaluate global cash flow analysis of borrowers/guarantors, setting forth expected standards including verification of financial condition
- Evaluate the lender's internal grading of distressed commercial real estate loans
- Monitor ongoing underwriting standards for CRE credits with focus on troubled credits
- Reinforce standards of soundness in CRE lending throughout the cycle

### Accounting

- Handling of TDR status
- Prompt and appropriate accrual status/impairment calculations

## **Target Audience**

This course is intended for seasoned examiners with an extensive background in reviewing and analyzing Commercial Real Estate.

## **Prerequisites**

Prior to attending this course attendees are required to complete the FFIEC Commercial Real Estate Analysis for Financial Institution Examiners (CRE). Distressed Commercial Real Estate (DCRE) will build on material covered in CRE along with new concepts to understanding DCRE.

## **Length**

The course is 4 ½ days. It begins on Monday at 8:30 a.m. and ends Friday at 12:00 noon. The normal class day is 8 hours.

## **Pre-Course Study**

FFIEC provides each agency training department the pre-course documents approximately 10 weeks prior to the session. The pre-course material is also embedded within the Attendee Memo. The estimated time to complete the pre-course assignment is approximately four to six hours.

## **Requirements**

Attendees must bring a calculator to class.



## Financial Crimes Seminar

### Summary

The *Financial Crimes Seminar* provides commissioned examiners with a broad range of knowledge on fraudulent schemes and insider abuses.

### Objectives

After attending the forum, participants should have a heightened awareness of:

- Current financial crimes impacting financial institutions
- Red flags of mortgage fraud
- Potential insider abuse
- Interviewing techniques
- Examiner insights to uncovering fraud
- Current trends in Cyber Crimes and Payment Systems Risk

### Target Audience

Each participant should be a commissioned safety and soundness examiner. It is recommended that you do not take this course more than once in a three year period.

### Length

The *Financial Crimes Seminar* is a 3 ½ day conference. It begins on Monday at 9:00 a.m. and ends on Thursday at 12:00 noon. The normal class day is 8 hours of lecture and discussions.

### Topics

The seminar is designed to provide insight and information on a variety of current and emerging financial crime related topics. Presenters may include staff from the FBI, the SEC, FinCEN, the Department of Justice, various regulatory agencies, industry specialist, accountants and attorneys. 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 seminar should be available approximately 30 days prior to the session.

## Fraud Identification Training – On-Line Course

### Summary

*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.

The *Fraud Identification Training - On-Line* course is offered through a relationship with the Conference of State Banking Supervisors and eCollege.

### 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
- Have the opportunity to question the instructor and other participants who may have been involved in investigating fraud cases through thread 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.

### 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 specialist to discuss important fraud detection issues and develop guidance for financial institution examiners.

The Symposium will be help in 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:

- Increases awareness of the topic discussed
- Provide a tool for examiners to use in the field to aid in their understanding, identification, and detection of the subject
- Provide guidance on the best practices to avoid losses resulting from fraud

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

## 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.

## Prerequisites

Participants should have an active interest in discussing and developing recommendations for the selected topic.

Participants will be required to do research on the topic prior to the two week on-site symposium. The time devoted to research will vary. A significant portion of the two weeks will be devoted to developing and writing a white paper providing guidance to financial institution examiners. It is recommended that participants have strong writing skills.

## Length

Participants will be required to do research on the topic prior to the two week symposium. The on-site portion of the *Symposium* is 10 days. Each participant is expected to stay the entire time. Two to three days of the first week will consist of outside speakers laying the foundation for the topic and establishing a plan. The end of the first week and all of the second week will be devoted to writing the white paper with the expectation that the content will be completed at the end of the second week. 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.

In 2010, the EEO released a White Paper entitled *The Detection and Deterrence of Mortgage Fraud Against Financial Institutions: A White Paper*. The White Paper developed from the 2003 Symposium, entitled *The Detection, Investigation and Deterrence of Mortgage Fraud Involving Third Parties: A White Paper,*” and the 2002 White Paper, entitled *The Detection, Investigation, and Prevention of Insider Loan Fraud: A White Paper*, are available in the FFIEC Website at [www.ffiec.gov/exam/education.htm](http://www.ffiec.gov/exam/education.htm).

## 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 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. Groups present their observations and recommended actions following 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 to the fraud types uncovered in the class
- Identify and manage documents
- Apply basic interviewing techniques
- Explain the requirements for filing Suspicious Activity Reports
- Explain the effects of fraud on a bank's risk profile

### 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 tracing documents.

This course establishes a good foundation and 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 3 days. It begins at on Monday at 1:00 p.m. and ends on Thursday at 12:00 noon.



**23 Credit Hours**

## 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, 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 event may be followed by separate regulatory agency breakouts. The normal conference day is 8 hours of lecture and discussions.

### Topics

The conference 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 30 days prior to the event.

## 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 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 changes to the supervisory or examination processes relating to the symposium topic or issuing a "white paper," policy statement, or guidance.

### 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, with at least five years of IT examination experience. 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* begins on Monday at 1:00 p.m. and ends 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 2007 Symposium, "Remote Deposit Capture" was released in January 2009 as FFIEC guidance.
- The information from the 2005 Symposium, "Authentication in an Internet Banking Environment." was released October 2005 as FFIEC guidance.
- The information from the 2004 Symposium, "Risk Management of Free and Open Source Software." was released 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 communication skills. Basic instruction and facilitation techniques, questioning techniques, lesson planning and generational differences 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
- 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

## 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 4 ½ day course involving extensive class participation. It begins on Monday at 8:30 a.m. and ends on Friday at 11:30 a.m. The normal class day is 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 classroom training:

- 5-minute lecture
- 15-minute lecture with questions and visual aids, parts 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 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 conference day is 8 hours of lecture and discussions.

### 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, as determined by the Task Force on Examiner Education. The most recent conference was held in July 2006.

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





## 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 international financial holding companies and banks. The International Banking School is taught by agency, market practitioners, and academics in an interactive learning environment.

## Objectives

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

- Identify current key regulatory and market issues in examining and supervising financial holding companies and banks with international banking activities.
- Analyze the major forces driving structural changes in international financial markets and the impact of these changes on the banking community
- Discuss best practices in risk management at international financial holding companies and banks
- Define all macro and financial risks and identify how they materialize at financial institutions
- Identify key global organizations and their influence on international banking
- Evaluate the role of global rating agencies and their impact on bank's capital adequacy and their capital markets transactions
- Discuss major components of Basel II and its influence on international financial markets
- Identify significant issues in emerging markets and compare and contrast key countries with international banking activities
- Analyze the various types of foreign exchange (FX) spot and derivatives transactions and their risks

- Review trends in accounting frameworks at international financial institutions
- Discuss mechanics of and trends in global loan, debt, and equity issuance underwriting
- Analyze trade finance activities and their risks
- 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 commissioned 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 those who do not have international supervisory responsibilities. Participants should have examination or other agency responsibilities in international banking that occur at least occasionally, if not frequently.

## Prerequisites

Examiners who have limited international banking knowledge are required to complete the FFIEC Basic International Banking Self-Study course prior to attending this course. This prerequisite may be waived if the participant can demonstrate significant international banking experience.

It is recommended that attendees have at least six months to one year international banking examination experience and have completed their agency's examiner commission training.

## Length

The *International Banking School* is a 4 ½ 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.

## 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 technology 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 system risk in the supervisory process
- Identify and discuss important and emerging risks to payment systems
- Discuss applicable systematic, 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 3 ½ days. It typically begins on Monday at 9:00 a.m. and ends on Thursday at 12:00 noon. The normal course day is 8 hours of lecture and discussions.

### Topics

The conference is designed to provide insight and information on a variety of payment systems topics. The program will include both wholesale and retail payment system topics. Presenters include 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 conference should be available approximately 30 days prior to the session.

# Real Estate Appraisal Review School I (On-Line Course)

## Summary

The *Real Estate Appraisal Review School I (REARS I)* is offered to financial institution examiners and bankers through a relationship with the Conference of State Banking Supervisors and eCollege

The *REARS I* is designed to augment examiners' understanding of the appraisal review process and to enhance their ability to review commercial real estate appraisals. The school provides examiners with a foundation for further basic training in real estate appraisal preparation theory and process.

Participants will review written materials, complete case studies, complete periodic assessments, and complete a self-assessment at the conclusion of the course. Participants use on-line threads to dialog with one another about the material and to pose questions to the instructor (with the responses shared with the class).

## Objectives

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

- Explain the Uniform Standards of Professional Appraisal Practice (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 examiners who want enhanced skills in reviewing and analyzing commercial real estate appraisals. To obtain the optimum learning experience attendees should have some experience with evaluating commercial real estate loans and with income-producing real estate lending.

## Length

The self study course will require approximately eight hours per week for five weeks.

## Modules

- Introduction to Course
- Appraisal Regulations and Standards
- Concept 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 on-site *Real Estate Appraisal Review School II (REARS II)*. Correspondingly, those who have attended *REARS II* should not take this class. *REARS I* is the same as the 40 hour off-site work for *REARS II*.

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.

# Real Estate Appraisal Review School II

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## Summary

The *Real State Appraisal Review School II* (REARS II) provides examiners with the knowledge and skills to evaluate real estate appraisals as a key component in the credit risk assessment process for commercial real estate loans. Examiners will also learn how to identify the mistakes most commonly made by appraisers.

This school was originally designed for two weeks in a classroom. It has been revised for a blended-learning delivery. Each agency has approved that the first 40 hours (REAR I) be completed off-site prior to students' arrival of the on-site portion.

## Objectives

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

- Calculate estimated values based on revised appraisal assumptions
- Identify the physical and economic relevant property characteristics that affect the real estate collateral
- Describe the three approaches to value
- Describe various types of appraisals and appraisal reports
- Identify potential fraud in appraisals
- Identify common appraisal errors
- Explain the appraisal valuation process
- Identify inappropriate appraisal procedures
- Use deductive reasoning to validate the consistency of information in an appraisal report

## Target Audience

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

## Length

The on-site portion of the REARS II is 4 ½ days. It begins on Monday at 9:00 a.m. and ends on Friday at 12:00 noon. The normal class day is 8 hours.

## Pre-Course Study

This course requires all participants to complete 40 hours of self-study (REARS I) then submit an assessment to the FFIEC. The agencies provide the self-paced training material to students approximately 10 weeks prior to the on-site portion of the course. The on-site course instructor also facilitates the self-study portion of the course by assisting students via e-mail.

The training material completed off-site provides the foundation of the appraisal preparation theory and process. Its completion is important and allows for the most efficient use of time on-site (which will build upon the earlier material).

At an additional cost, the *REARS I* material can be completed using an on-line format that requires approximately 8 hours per week for 5 weeks. Participants should contact their training offices for approval to enroll in *REARS I*. Refer to the *REARS I* course description for additional information.

## Requirements

A calculator that performs present value and future value is helpful. A laptop computer, with a CD drive, loaded with Adobe Reader Version 8 or later, Microsoft Word and Microsoft Excel must be brought to the classroom.



**38.5 Credit Hours**

## Supervisory Updates and Emerging Issues Conference

### Summary

The *Supervisory Updates and Emerging Issues Conference* provides an overview of emerging issues confronting the regulated financial services industry. Each session will provide discussions on financial institution supervision priorities, changes and updates in regulations or guidance issued by the FFIEC agencies, relevant accounting standards, and the economic environment impacting U.S. financial institutions. The content of these sessions should enhance an examiners' knowledge of current issues in the financial industry 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 financial institutions.

### Objectives

Upon completing the course, participants will be able to:

- Discuss current trends and emerging issues related to the financial industry
- Identify current challenges and risks in regulated financial institutions
- Recommend effective practices and processes
- Implement changes in financial institution supervisory requirements or guidelines

### Target Audience

The *Supervisory Updates and Emerging Issues Conference* is intended for Safety and Soundness/Risk Management commissioned examiners of any tenure.

### Length

The *Supervisory Updates and Emerging Issues Conference* lasts 3 ½ days. The conference typically begins on Monday at 9:00 a.m. and ends on Thursday at 12:00 noon. The normal conference day is 8 hours of lecture and discussions.

### Topics

Topics for the *Supervisory Updates and Emerging Issues Conference* vary each year and are based on current issues, feedback from prior participants, and discussions with an interagency development group. The program for this conference is available 30 days prior to the event.

## Summary

The *Structured Finance: Investment Analysis & Risk Management* course is designed to provide commissioned examiners with an understanding and working knowledge of structured securities, specifically the structure, inherent risk, and investment purpose for financial institutions. The course will include an overview on the structure and behavior of specific structured securities from basic to the most complex. The course will also include discussions on the risk assessment and management of the investment portfolio containing structured securities, appropriate accounting and capital treatment, and pre-purchase analysis performed by the investor and reviewed by the examiner. The course was developed and is led by Global Financial Markets Institute instructors, but also includes presenters from the FFIEC agencies for a variety of topics.

## Objectives

Upon completing the course, participants will be able to:

- Identify benefits and risks associated with investing in securitized instruments, such as:
  - Asset –Backed Securities
  - Mortgage-Backed Securities, residential and commercial
  - Collateralized Debt Obligations
- Identify and describe the types of securities, the structural components, credit enhancements, cash flow waterfall priorities, and embedded derivatives of structured securities
- Evaluate and analyze data sources, external tools, and rating agency criteria used to analyze structured finance deals
- Determine the quality of the underlying asset of the structured product
- Assess a financial institution's valuation and monitoring process
- Understand current accounting standards related to structured products

- Determine the appropriate capital treatment after appropriately identifying the structure and risk of a structured security
- Establish appropriate examination scoping and planning process and risk assessment
- Discuss and examine impact of banking crisis: credit and liquidity issues

## Target Audience

The course is intended for commissioned examiners who are designated capital markets specialist who review and assess the market, credit, and operational risk of structured securities in a financial institution's investment portfolio.

Examiners-in-charge of regional or large, complex financial institutions that are responsible for the assessment of the overall risks within these financial institutions, may also benefit.

## Length

The course will be 4 ½ days in length. The course will begin at 8:30 a.m. on Monday and end at 12:00 noon on Friday. The normal class day is 8 hours.

## Pre-Course Study

The attendees will be required to complete an on-line pre-course assignment that includes a final assessment with a passing grade of 75% prior to acceptance into the class. The pre-course content provides a foundation on the fundamental structure and underlying collateral of securitizations, and introduction to credit derivative securities, and a review of convexity, duration, and option adjusted spread, which will be used in the valuation discussion in class. The pre-course assignment was designed to ensure students have the knowledge necessary to effectively participate in the instructor-led portion of the course. The expected time to complete the assignment is in the 12 – 20 hour range, which will depend on the participants level of knowledge.

# Testifying School

## Summary

*Testifying School* participants learn to present finding 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 recording 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.

## Length

*Testifying School* is a 3 ½ day course. It begins Tuesday at 9:00 a.m. and ends Friday at 12:00 noon. The normal conference day is 8 hours.

## Pre-Course Study

The FFIEC will mail the course notebook containing the case study and documentation to each participant approximately ten weeks prior to the beginning of the course. Each attendee is expected to have a very good working knowledge of the case study in order to fully participate in the mock deposition and mock testimony. Participants who do not have a good working knowledge of the case prior to the course should not attend. The case study requires approximately six to ten 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:

- Testifying in Court
- Testifying in Depositions
- Cross Examination of a Financial Expert
- Role of Corroborative Documentation in Litigation
- A Judicial Perspective

## Requirements

Bring the case study notebook and a portable calculator with you to class.

## **FFIEC InfoBase Offerings**





## Overview

During 1999, the FFIEC Examination Council requested the FFIEC Examiner Education Office (EEO) develop new methods to provide information or training quickly to examiners when a new interagency policy statement or regulation was issued. In response, the EEO 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 is appropriate for an easily updateable interagency website.

The InfoBase is a browser-based product that will provide the user with structured access to training and reference materials. The Task Force on Examiner Education approves selected topics. The InfoBase 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 InfoBase contains narrated PowerPoint presentations related to the InfoBase content. A multimedia computer using a standard web browser with Macromedia Flash and Adobe Acrobat Reader is required for use.

### Distribution

The IT Handbook, BSA/AML Examination Manual, Financial Privacy, and Check 21 InfoBases are available on the FFIEC.gov website. The EEO provides two CD copies of each InfoBase to each FFIEC member agency at origination and after every update. The individual agencies determine if the CD of the InfoBase is reproduced for distribution and/or if the InfoBase will be maintained on their intranet sites.

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

## Bank Secrecy Act/Anti-Money Laundering

This InfoBase contains 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 400 pages in length, is divided into seven sections: Introduction, Core Examination Overview and Procedures for Assessing the BSA/AML Compliance Program, Core Examination Overview and Procedures for Regulatory Requirements and Related Topics, Expanded Examination Overview and Procedures for Consolidated and Other Types of BSA/AML Compliance Program Structures, Expanded Examination Overview and Procedures for Products and Services, Expanded Examination Overview and Procedures for Persons and Entities, and Appendices.

### 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 (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.

## **IT Handbook**

An interagency working group, composed of representatives from each of the FFIEC member agencies, developed a new version of the IT Handbook and is 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 11 topics below:

- Business continuity planning
- Development and acquisition
- Electronic banking
- 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.

## **Technology Service Provider (TSP) Financial Analysis Course**

The FFIEC IT Subcommittee developed this e-learning course to augment the TSP booklet. The course is targeted to examiners who prepare the risk-focused analysis of a TSP's financial condition, complete the Examination Priority Ranking (EPR) pages in the Administrative or Confidential section of the report of examination, and assign the TSP's rating with specialized training. The goal of this course is to provide examiners with the tools they need to analyze, rate, and express an opinion about the financial strength and overall condition of the TSP. Although the course is designed primarily for examiners, it could be used by any agency staff person who wants additional information regarding the financial analysis of technology service providers.

This course was distributed to each FFIEC agency. Please inquire with your agency's respective training coordinator regarding registration into this training.

## **Other**



## FFIEC Member Agency Training Contacts

### **Board of Governors of the Federal Reserve System**

Division of Banking Supervision and Regulation  
System Staff Development  
Washington, DC 20551-0001

Telephone: (202) 973-5078  
FAX: (202) 872-4974

Internet: [www.federalreserve.gov](http://www.federalreserve.gov)

### **International Supervisory Authorities**

International participants are registered through the Board of Governors of the Federal Reserve System. Please note that not all courses listed in this catalogue are open to international participants. For a list of the FFIEC courses open to supervisory staff and officials from other central banks and regulatory authorities, please consult the Federal Reserve System's Training Program Course Catalogue, which is available at [www.federalreserve.gov/bankinfo/ita\\_cs.htm](http://www.federalreserve.gov/bankinfo/ita_cs.htm). To register, please contact Mr. Sarkis Yoghourtdjian at [sarkis.yoghourtdjian@frb.gov](mailto:sarkis.yoghourtdjian@frb.gov).

### **Federal Deposit Insurance Corporation**

Corporate University  
3501 Fairfax Drive, Room A3168  
Arlington, VA 22226-3500

Telephone: (703) 516-5215  
FAX: (703) 516-1002

Internet: [www.fdic.gov](http://www.fdic.gov)

### **National Credit Union Administration**

Training Center  
Office Human Resources  
Division of Training and Development  
1775 Duke Street  
Alexandria, VA 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

Telephone: (202) 906-6279  
FAX: (202) 906-6368

Internet: [www.ots.treas.gov](http://www.ots.treas.gov)