

# FFIEC

# Examiner Education

## 2013

### Course Catalogue

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

# 2013 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 and other 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). 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 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 20 Certified Anti-Money Laundering Specialists (CAMS) credits toward maintaining their certification for 2013.

The *Capital Markets Specialist Conference* is assessed annually for continuing education credits from the CFA Institute. You will need to provide your membership number and the FFIEC staff will submit your name for credit.

The Institute of Certified Bankers (ICB), a subsidiary of the American Bankers Association, is dedicated to promoting the highest standards of performance and ethics within the financial services industry. The *Consumer Compliance Specialists Conference* has been approved for 18 CRCM credits. This statement should not be viewed as an endorsement of this program or its sponsor.

Participants can receive continuing professional education (CPE) credits hours and Continuing Education Units (CEU) in 2012 for the following courses:

- Advanced Cash Flow Concepts and Analysis: Beyond the Numbers – 33 CPE
- Advanced Commercial Credit Analysis – 27 CPE
- Cash Flow Construction & Analysis from Federal Tax Returns – 19.5 CPE
- Commercial Real Estate Analysis for Financial Institution Examiners – 29 CPE for 2013
- Distressed Commercial Real Estate – 36.5 CPE and 3.1 CEU for 2013
- Fraud Investigation Techniques for Examiners\* – 33 CPE
- Fundamentals of Fraud\* – 24 CPE
- Real Estate Appraisal School – 38.5 CPE
- Structured Finance: Investment Analysis and Risk Management – 36.5 CPE and 3.1 CEU for 2013

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)

\*Fulfills the requirement for continuing education credits for Certified Fraud Examiners (CFE)

## 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 100,000 participants. All programs are offered under the auspices of the Task Force on Examiner Education, whose principal members are officers of the Council-member agencies and a representative from the State Liaison Committee who oversee examiner training. Programs are expressly designed to meet the needs of post-commissioned examiners.

The training office (FFIEC EEO) 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 FFIEC EEO offerings are assessed annually to assure the examiners are kept up-to-date on various topics in a changing economic environment.

Since 1999, the FFIEC has continued to update the delivery of training or information via the “FFIEC InfoBase.” The FFIEC EEO in conjunction with the IT Subcommittee has continued to coordinate revisions of the FFIEC Information Technology Examination Handbook InfoBase. The FFIEC EEO in conjunction with the BSA Working Group 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).

FFIEC EEO has continued offering Alternative Delivery training along with its courses and conferences since the beginning of a relationship in 2002 with CSBS who supports two online training courses. A section in this catalogue outlines the current offerings.

FFIEC EEO continues to provide a course-specific supplemental CD to all attendees as a value-added tool for their training needs. An e-mail address, [ffiecfeedback@fdic.gov](mailto:ffiecfeedback@fdic.gov), has been set up to provide examiners an opportunity to provide a direct link for personal feedback or suggestions for additional training.

EEO announces for 2013 the *Supervisory Updates and Emerging Issues* conference will evolve onto two separate conference offerings – one for community financial institution issues and a second focusing on large complex financial institution issues. Further details are highlighted on pages 27 and 28. Also for 2013, a new course on *Global Cash Flow Concepts & Construction* will be introduced for those examiners who have previously attended the *Cash Flow Construction and Analysis from Federal Tax Returns*.

Karen K. Smith, Manager, Examiner Education, May 1, 2012

## 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 (last page of the 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 2013 will vary by class size, amount of course materials, number of outside instructors, etc. and may vary from 2012 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 following your agency's policy on hotel reservations.

### Attendee Memo and Pre-Course Assignment Materials

The registering 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 and the pre-course materials will be embedded in the memo.

### Dress Code

The dress code agreed upon by the member agencies of the Council is "comfortable attire appropriate to a business environment." Blue jeans, shorts, and t-shirts are inappropriate. We suggest that you bring a sweater or jacket as the heating/air conditioning in the classrooms and auditoriums is hard to control.

### 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*

*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 (includes Global Cash  
Flow Construction)*

*Commercial Real Estate Analysis for  
Financial Institution Examiners*

*Consumer Compliance Specialists Conference*

*Distressed Commercial Real Estate*

*Financial Crimes Seminar*

*Fraud Identification Training Online Course*

*Fraud Investigation Techniques for  
Examiners*

*Fraud Investigations Symposium*

*Fundamentals of Fraud Workshop*

*Global Cash Flow Concepts & Construction*

*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 Online Course*

*Real Estate Appraisal Review School*

*Structured Finance: Investment Analysis &  
Risk Management*

*Supervisory Updates & Emerging Issues for  
Community Financial Institutions (formerly  
Community Financial Institutions Lending  
Forum)*

*Supervisory & Emerging Issues for Large  
Complex Financial Institutions*

*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
- 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:

- Identify a range of cash flow measurements and determine the appropriate cash flow measurement for the situation
- Recognize common misuses that may lead to credit problems
- Analyze financial statements in order to identify potential repayment problems even when companies show positive earnings and positive cash flow
- Broaden recognition of cash flow early warning signals to identify potential problems that have been missed by the industry in recent years
- 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

## 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 and Attendee Memo approximately 10 weeks prior to the session. The pre-course material is 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 complements *Advanced Commercial Credit Analysis* and *Cash Flow Construction and Analysis from Federal Tax Returns*; however, none of the courses is a prerequisite for each other.



Approved for 2012: 33 Credit Hours

## Summary

FFIEC's *Advanced Commercial Credit Analysis* (ACCA) course is offered to enhance the commercial credit skills of commissioned financial institution examiners. Paragon Analysis Corporation is a new vendor offering the course, which focuses on a repayment analysis framework incorporating intensive qualitative and quantitative analysis that will allow examiners to efficiently assess the credit risk of a commercial credit and determine an appropriate risk rating. The course will include interactive case studies and individual exercises to apply concepts introduced in the course. The content will NOT include real estate loan analysis.

## Objectives

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

- Determine the key credit risks and associated mitigating factors of a commercial credit transaction
- Analyze borrower financial statements to evaluate the sustainability of revenue growth and earnings, the overall quality of earnings, and the company's liquidity, working capital, and leverage positions
- Construct both an indirect and EBITDA based cash flow statement and use the outcomes to evaluate various cash flow coverage ratios
- Identify and evaluate the strength of a borrower's primary and secondary source of repayment
- Determine appropriate capital structures based on the forecasted cash flow and the overall debt capacity of the company

## Target Audience

The course is intended for commissioned examiners who have a strong working knowledge of commercial loans and a solid understanding of understanding of business financial statements and the sources and uses of cash.

## Length

The course is 4 ½ days. It begins on Monday at 8:30 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 pre-course readings and an assignment. FFIEC provides each agency training department the pre-course documents and Attendee Memo approximately 10 weeks prior to the session. The pre-course material is embedded within the Attendee Memo. The estimated time to complete the pre-course readings and the pre-course assignment is up to 16 hours.

Note: This course complements *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



Approved for 2012: 27 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 utilizing the Bank Secrecy Act (BSA)/AML Examination Manual.

### 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 processes in complying with BSA/AML Examination Procedures and Programs
- Discuss current trends significant to AML

### Target Audience

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

### Length

The 3 ½ 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 normal class day is 8 hours.

### Pre-Course Study

FFIEC provides each agency training department the pre-course documents and Attendee Memo approximately 10 weeks prior to the session. The pre-course material is 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 (MSBs)
- 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 overview by the Federal Bureau of Investigation

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## 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.



# Capital Markets Conference

## Summary

The *Capital Markets Conference* is an intermediate level course focusing on the understanding and risks associated with capital markets activities prevalent in regulated financial institutions. The content may include the following topics:

- A global economic outlook in capital markets
- Financial institution investment strategies
- Fundamentals of derivatives and securitizations
- Liquidity risk management and contingency funding plans
- Interest rate risk management
- Guidance on relevant accounting and regulatory standards

These are high level topics that are offered on a regular basis. However, the content is updated, as needed, based on the current economic environment and supervisory issues.

## Objectives

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

- Identify the characteristics, uses, and risks of common capital markets activities
- Evaluate a financial institution's earnings and market risk exposure to interest rate risk positions
- Apply relevant regulatory and accounting guidance and standards during capital markets related examinations
- Recognize adequate liquidity risk management, including contingency funding plans
- Assess the effectiveness of a financial institution's asset/liability management function

## Target Audience

The *Capital Markets Conference* is intended for those examiners who are seeking training on capital markets activities beyond the commissioning training level and those examiners who 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, examiners-in-charge and review examiners who need to develop greater familiarity with capital markets activities, products, and risks 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 and experience 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.

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:

- Apply current regulatory changes and supervision guidance/issuances relevant to capital markets activities and liquidity management during examination
- Identify uses and risks of emerging or complex financial instruments and the 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. 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 may be followed by separate agency breakouts organized by the respective agency. The normal conference day is 8 hours of lecture and discussions.

### Topics

Topics vary from year to year and are determined by member agency capital markets specialists based on supervision priorities and changes in the financial industry. 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 and CPE credits.

## Cash Flow Construction and Analysis from Federal Tax Returns (includes Global Cash Flow Construction)

**New**

### 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
- Identify documents (financial statements, and tax returns from individuals and businesses – including Schedule K-1) needed to construct a global cash flow statement
- Analyze the business and individual financial statements to evaluate the resources available to service debt
- Construct and analyze global cash flow for related entities through the use of a case study illustrating cash flow movements between related companies and their common owners

### Target Audience

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

### 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 and Attendee Memo approximately 10 weeks prior to the session. The pre-course material is 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 is a prerequisite for each other.



Approved for 2012: 19.5 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:

- Identify 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 and Attendee Memo approximately 10 weeks prior to the session. The pre-course material is 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.

Note: This course is a prerequisite to *Distressed Commercial Real Estate*.



**Approved for 2013: 29 Credit Hours**



## Summary

FFIEC's *Consumer Compliance Specialists Conference* is an event that is designed to provide continuing education to examiners with advanced consumer compliance examination experience. The content is focused on critical or emerging issues and higher level discussions of consumer compliance topics and associated risks.

## Objectives

Upon completing this conference, attendees will have gained knowledge that will be immediately applicable to the supervision of consumer compliance programs. Attendees will enhance their knowledge of consumer compliance issues related to riskier financial institution processes and more complex products. After attending the conference participants will be able to:

- Discuss emerging consumer compliance supervision issues.
- Identify and assess consumer compliance risks in regulated institutions.
- Discuss new or changing regulations, guidance and procedures in the consumer compliance supervision process.
- Describe best practices in consumer compliance management programs for financial institutions of various levels of complexity.

## Target Audience

The conference is intended for examiners with consumer compliance supervision experience within the FFIEC member agencies. Attendees should be examiners with good working knowledge of all aspects of consumer compliance supervision.

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

## Length

The length of the *Consumer Compliance Specialists Conference* is 2 ½ days. The normal conference day is 8 hours of lecture and discussions.

## Topics

The conference is designed to provide insight into and information on a variety of consumer compliance supervision topics. The program includes speakers from the regulatory agencies, law enforcement and the financial services industry. Specific topics may include mortgage servicing issues; unfair, deceptive and abusive acts or practices; fair lending issues; and consumer compliance risk management. The agenda for the conference will be available approximately 30 days prior to the event.

The Institute of Certified Bankers (ICB), a subsidiary of the American Bankers Association, is dedicated to promoting the highest standards of performance and ethics within the financial services industry. The Consumer Compliance Specialists Conference has been approved for 18 CRCM credits. This statement should not be viewed as an endorsement of this program or its sponsor.

## Distressed Commercial Real Estate

### Summary

This course is designed to assist examiners with evaluating distressed commercial real estate. The goal is to equip examiners with the knowledge needed to assess the financial institution's method for reviewing appraisals, management's approach to grading and loan workout practices, and impact 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

- Demonstrate how an examiner could formulate a revised current value estimate
- Validate a prior appraisal report using current market data
- Identify the impact on the value if the highest and best use of the project has changed
- Assess if a lending institution is utilizing an appropriate engagement letter and scope for the type of transaction
- Determine the information needed from an institution for the examiner to effectively review a project appraisal
- Validate the capitalization rate applied in an existing appraisal
- Utilize models to perform valuation and cash flow scenarios
- Identify lease clauses that could effect future cash flow

#### 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 concepts, 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
- Identify standards of soundness in CRE lending throughout the cycle

#### Accounting

- Determine TDR status
- Identify 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 specific to 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 and Attendee Memo approximately 10 weeks prior to the session. The pre-course material is 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.



Approved for 2013: 36.5 Credit Hours  
3.1 CEU

## Financial Crimes Seminar

### Summary

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

### Objectives

After attending the seminar, 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 conference 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 specialists, 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.

## 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 held on an **as-needed basis** as determined by the Task Force on Examiner Education. 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

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).



## Summary

The *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 consist of senior examiners with fraud investigation experience. Additional presenters are FFIEC member agency attorneys and outside consultants.

## Objectives

At the completion of the course, participants will have developed 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 *Fraud Investigation Techniques for Examiners* course is suitable for commissioned examiners who have a fraud investigation background. The number of participants per session should not exceed twenty.

## Prerequisites

Participants should have been involved in an investigation, 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 *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.



Approved for 2012: 33 Credit Hours

# 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 *Fraud Investigation Techniques for Examiners* course.

## Length

The length of the *Fundamentals of Fraud Workshop* is 4 days. It begins at on Monday at 1:00 p.m. and ends on Friday at 12:00 noon.



**Approved for 2012: 24 Credit Hours**



## Summary

*Global Cash Flow Concepts and Construction* is a course focused on constructing a global cash flow statement from federal tax returns and other financial statements.

## Objectives

Upon completing the course, participants will be able to:

- Identify documents (financial statements and tax returns from individuals and businesses – including Schedule K-1) needed to construct a global cash flow statement
- Construct and analyze cash flow from business and individual tax returns and financial statements
- Analyze business and individual financial statements to evaluate the resources available to service debt
- Explain how cash flows among and between related companies with common ownership
- Construct and analyze global cash flow for related entities through the use of a case study illustrating cash flow movements between related companies and their common owners
- Identify likely pressures on future cash flows and debt service capabilities on related companies with common ownership structure

## Target Audience

The *Global Cash Flow Concepts and Construction* is intended for agency examiners and other personnel currently involved in the review of commercial credits.

## Prerequisites

Prior to attending this course, attendees are required to have completed the *FFIEC Cash Flow Construction & Analysis from Federal Tax Returns* course. There will be a minimal review of cash flow construction concepts covered in *Cash Flow Construction & Analysis from Federal Tax Returns* at the start of the class.

## Length

The *Global Cash Flow Concepts and Construction* lasts three days. The class typically begins on Monday at 1:00 p.m. and ends on Thursday at 12:00 noon. The normal class day is 8 hours.

## Pre-Course Study

To be determined

## Requirements

Attendees should bring a calculator to class.

Note: Beginning in 2013, *Global Cash Flow Concepts & Construction* (GCFCC) and *Cash Flow Construction & Analysis from Federal Tax Returns* (CFCFAFTR) will be combined into one course. Going forward after 2013, participants attending the CFCFAFTR need not take the stand alone GCFCC.

## 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 information technology, 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 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 organized by the respective agency. 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 IT 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, with consult from external subject matter experts, and to develop recommendations for institutions, service providers, and/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. The Symposium is conducted on an as-needed basis

### 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 and Requirements

The *Information Technology Symposium* is attended by participants that possess a strong technical background related to the topic selected for the symposium. The participants are selected by the IT Subcommittee and are not registered through open enrollment.

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 review materials presented during the first week, determine if there will be a written product, and if applicable, assist in the development of the agreed upon product.

- The information from the 2010 Symposium, "Managed Security Services" was released in 2012, in the FFIEC IT Examination Outsourcing Booklet under Appendix D.
- 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 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 prepare a classroom
- 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 and regulatory supervision policies

### 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 includes senior international examiners and examiners-in-charge responsible for the examination and ongoing supervision of multi-national financial institutions.

The conference is intended only for those examiners who have regular responsibilities for institutions involved in international activities and/or foreign banking organizations.

### 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.

### 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.

If you are interested in this conference, please contact your agency training coordinator to request attendance.

# 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 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 key global organizations and their influence on international banking
- 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
- Define country macroeconomic and financial risks and identify how they materialize at financial institutions
- Evaluate the role of global rating agencies and their impact on banks' capital adequacy and their capital markets transactions
- Discuss major components of Basel II and III 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

## 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.**

## 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.

## 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 11:30 a.m. The normal class day is 8 hours.



## Payment Systems Risk Conference

### Summary

The *Payment Systems Risk Conference* offers an overview of wholesale and retail payment systems and identifies associated risks. The conference provides examiners knowledge that may be incorporated into the supervisory process. The conference also includes insight into emerging payment processes and technology and their impact on the financial industry.

### Objectives

After attending the conference, participants will be able to:

- Identify current and emerging risks related to payment systems and the impact on the financial industry
- Apply regulatory guidance and industry standards on the assessment and management of retail and wholesale payment systems risk to the supervisory process

### Target Audience

The *Payment Systems Risk Conference* is designed for commissioned or equivalent tenured field examiners and regional/district office staff who have 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 conference 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. Presenters include industry experts and regulatory personnel. Topics vary from year to year and are selected based on the feedback from prior participants, regulatory changes, and suggestions from an interagency subject matter expert development group. The agenda for each conference should be available approximately 30 days prior to the session.

# Real Estate Appraisal Review School

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## Summary

The *Real Estate Appraisal Review School* (REARS) 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.

## Objectives

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

- Calculate estimated values based on revised appraisal assumptions
- Identify the relevant physical and economic 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 REARS is 4 ½ days. It begins on Monday at 8:30 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 24 hours of pre-course, 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 pre-course by assisting students via e-mail.

The pre-course 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. The on-site portion will build on the pre-course assignment.

## 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.



**Approved for 2012: 38.5 Credit Hours**

## Structured Finance: Investment Analysis & Risk Management

### 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 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 on a variety of topics.

### Objectives

Upon completing the course, participants will be able to:

- Identify benefits and inherent risks associated with investing in structured products, such as asset-backed and mortgage-backed securities
- Identify and describe the underlying collateral structural components, credit enhancements, cash flow waterfall priorities, and embedded derivatives of structured securities
- Determine the quality of the underlying asset of the structured product using external data sources and tools
- Assess a financial institution's due diligence, valuation, and on-going monitoring processes for investment in structured products
- Understand current accounting standards related to structured products
- Determine the appropriate capital treatment of structured investments
- Evaluate a financial institution's investment portfolio that includes structured products and assess the adequacy of related risk management practices

- Discuss current and emerging industry, regulatory, and supervision changes in capital markets related to structured finance

### Target Audience

The course is intended for commissioned examiners designated as capital markets examiners who are seeking to enhance their knowledge in assessing the market, credit, and operational risk of structured securities in a financial institution's investment portfolio.

Examiners-in-charge and central-points-of-contact of regional or large, complex financial institutions who are responsible for the assessment of the overall risks within these financial institutions and have limited capital markets examination experience, 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, an 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 a basic knowledge of structured finance to effectively participate in the instructor-led portion of the course. The time to complete the assignment is estimated between 14 – 20 hours, which will depend on the participant's level of knowledge.



Approved in 2013: 36.5 Credit Hours  
3.1 CEU

## Supervisory Updates and Emerging Issues Conference for Community Financial Institutions (formerly Community Financial Institutions Lending Forum)

A green starburst graphic with the word "New" written in black text inside it.

### Summary

The *Supervisory Updates and Emerging Issues Conference for Community Financial Institutions* addresses unique issues and challenges impacting community financial institutions. The conference will provide information on regulations or guidance issued by the FFIEC agencies that are specific to financial institutions that are smaller in asset size and non-complex in structure. The conference may also include updates on accounting standards, consumer compliance, economic outlook, emerging risk, lending and other business strategies.

### Objectives

After attending the conference, participants will be able to:

- Identify challenges and opportunities currently facing community financial institutions
- Discuss current economic conditions that affect safety and soundness of community financial institutions
- Discuss applicable supervisory and industry changes
- Discuss lessons learned and successful strategies going forward

### Target Audience

This conference is intended for member agency examiners and other personnel currently involved in the examination or supervision of community financial institutions. The content focus is on safety and soundness and risk management. The *Consumer Compliance Specialists Conference* is a separate conference offered for consumer compliance examiners.

### Length

The *Supervisory Updates and Emerging Issues Conference for Community Financial Institutions* 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.

### Pre-Course Study

Depending on the agenda, participants may be required to complete pre-course reading or a pre-course assignment to prepare for attendance at the conference. FFIEC provides each agency training department the pre-course documents and Attendee Memo approximately 10 weeks prior to the conference. The pre-course material is embedded within the Attendee Memo. The estimated time to complete any required pre-course study will be specified in the Attendee Memo.

### Topics

Topics 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 typically available 30 days prior to the event.

### Requirements

Attendees must bring a calculator to class.

## Supervisory Updates and Emerging Issues Conference for Large, Complex Financial Institutions



### Summary

The *Supervisory Updates and Emerging Issues for Large, Complex Financial Institutions* provides information on supervision priorities, changes and updates in regulations or guidance issued by the FFIEC agencies that are specific to regulated financial institutions that are large in asset size and complex in structure and business line activities. The conference may also include updates on accounting standards, the U.S. and Global economic environment impacting financial institutions, and emerging issues confronting the regulated financial services industry.

The conference is intended to enhance 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 current and emerging risks at large, complex financial institutions.

### Objectives

Upon completing the course, participants will be able to:

- Discuss current and emerging issues related to the financial industry
- Identify current challenges and supervisory issues facing large, complex financial institutions
- React to new or updated supervisory requirements, regulations, and guidance specific to large, complex financial institutions

### Target Audience

The *Supervisory Updates and Emerging Issues for Large, Complex Financial Institutions* is intended for agency examiners and other personnel currently involved in the examination or supervisory oversight of large, complex financial institutions. The content focus is on safety and soundness and risk management. The *Consumer Compliance Specialists Conference* is a separate conference offered for consumer compliance examiners.

### Length

The *Supervisory Updates and Emerging Issues for Large, Complex Financial Institutions* 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 lectures and discussions.

### Topics

Topics for the *Supervisory Updates and Emerging Issues for Large, Complex Financial Institutions* 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 typically available 30 days prior to the event.

## 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 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 department.

### 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 class day is 8 hours.

### Pre-Course Study

The FFIEC will mail the course materials 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.

### 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 materials and a portable calculator with you to class.

### Post-Course Assignment

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



## **FFIEC InfoBase Offerings**





## Overview

The InfoBase is a browser-based product that provides the user with independent access to training and reference materials. The InfoBase content is created and updated by FFIEC working groups comprised of representatives of the agencies with in-depth knowledge of the topic; however the Task Force on Examiner Education approves development and maintenance of the InfoBase product. In addition to agency policy statements, examination procedures, and other reference documents, the InfoBase may offer 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. There are two InfoBases which are available on the FFIEC website ([www.FFIEC.gov](http://www.FFIEC.gov)), and are described in detail below.

### Bank Secrecy Act/Anti-Money Laundering InfoBase

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.

### IT Handbook InfoBase

This InfoBase contains the current set of Information Technology examination booklets, agency resource materials, a glossary, and master table of contents. The InfoBase is updated on an as needed basis by the IT Subcommittee of the Task Force on Supervision. 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

The FFIEC Examiner Education office welcomes all comments, suggestions, and observations concerning the BSA/AML InfoBase and the IT Handbook InfoBase. Email should be directed to [FFIECInfoBase@frb.gov](mailto:FFIECInfoBase@frb.gov).



## **FFIEC Alternative Delivery Training**



## Overview

The FFIEC offers alternative delivery training on an as-needed basis. Currently, the FFIEC examiner education office offers three alternative delivery courses. There is one computer-based training course that may be accessed without internet access and two that are delivered via the internet through the CSBS platform. These courses are described in detail below.

### Basic International Banking Self-Study Course

The *Basic International Banking Self-Study* course is delivered via 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 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.

The course includes an overview of international banking operations, major laws and regulations related to the examination process, international lending, trade instruments commonly used by banks, foreign exchange risks, and common capital market instruments issued in various international markets, including derivative contracts.

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

### Fraud Identification Training Online Course

*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 course 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.

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.

### Real Estate Appraisal Review Online Course

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

The *REARS Online* 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).

The course is designed for examiners who want to enhance skills in reviewing and analyzing commercial real estate appraisals. To obtain the optimal learning experience, attendees should have some experience with evaluating commercial real estate loans and with income-producing real estate lending



## **Other**





## FFIEC Member Agency Training Contacts

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

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

Telephone: (202) 973-5072  
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/about\\_ita.htm](http://www.federalreserve.gov/bankinfo/ita/about_ita.htm). To register, please contact Ms. Maribeth Seraj at [Maribeth.Seraj@frb.gov](mailto:Maribeth.Seraj@frb.gov).

### **Federal Deposit Insurance Corporation**

Corporate University  
3501 Fairfax Drive, Room A3016  
Arlington, VA 22226-3500

Telephone: (703) 516-5534  
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)

### **Consumer Financial Protection Bureau**

Supervision, Enforcement, Fair Lending and Equal Opportunity Division  
1500 Pennsylvania Avenue, NW  
(Attn: 1801 L Street)  
Washington, DC 20220

Phone: (202) 435-7550  
FAX: (202) 435-7329

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