



STATE OF LOUISIANA
OFFICE OF FINANCIAL INSTITUTIONS
BATON ROUGE, LOUISIANA



TO: THE CHIEF EXECUTIVE OR MANAGING OFFICER OF ALL
LOUISIANA STATE-CHARTERED BANKS AND THRIFTS

FROM: SID SEYMOUR, CHIEF EXAMINER

DATE: May 13, 2011

RE: LOUISIANA OFFICE OF FINANCIAL INSTITUTIONS (OFI) UPDATE

FINANCIAL PERFORMANCE

Overall Financial Condition--As of 12-31-10, there were 156 banks and thrifts domiciled in the State of Louisiana, of which, 127 or approximately 81 percent were state-chartered. In the fourth quarter of 2010, Louisiana-domiciled banks and thrifts reported a substantial decrease in net income from the prior quarter, primarily because of an increase in loan loss provisions. Net income through 12-31-10 decreased by \$129 million compared to the same time period in 2009, due primarily to a significant decline in noninterest income. The acquisitions of failed out-of-state banks resulted in gains on bargain purchases that significantly increased noninterest income in 2009. As of 12-31-10, the return on average assets for Louisiana-domiciled banks and thrifts was again above the national average. As of that date, Louisiana-domiciled banks and thrifts reported the eighth lowest percentage of unprofitable institutions at 7.69%, compared to 21.01% nationwide.

Asset quality appears to have stabilized, with non-current loans and nonperforming assets both decreasing from the previous year. The ratio of non-current loans to total loans decreased and is now 29 basis points below the national average. The ratio of nonperforming assets to total assets remained above the national average; however, the gap between the ratios decreased during the fourth quarter. **{Both ratios, however, continue to reflect the impact of four failed bank acquisitions in the second and third quarter of 2009 as well as the acquisition of a fifth failed bank during the third quarter of 2010. A large majority of the assets acquired from these acquisitions are covered by loss sharing agreements with the FDIC.}** Net charge-offs increased by approximately \$102 million, or 26.78%, over the same period last year, and the ratio of net charge-offs to total loans increased by 23 basis points. The net charge-off ratio remains well below the national average although the gap decreased during the fourth quarter. For Louisiana-domiciled institutions, the core capital (leverage) ratio and risk-based capital ratios all increased during the fourth quarter and remained above national averages. The ratio of net loans to deposits declined during the quarter with a decline in net loans and an increase in deposits. The ratio for Louisiana of 73.32% was below the national average of 75.82%.

Banks - For Louisiana-domiciled banks, there was a modest increase in total assets and a moderate increase in total deposits and Tier 1 (core) capital on a year-over-year basis. Core deposits, as a percent of total deposits and borrowed money, reflected a moderate increase in a year as core and total deposits increased while borrowed money declined. Net income through 12-31-10 decreased substantially on a year-over-year basis primarily because of decreased noninterest income with the decrease attributable to the gains on failed bank acquisitions in 2009 and 2010 as noted previously. As a result, the return on average assets declined and is below the national average. The ratio of net loans to deposits declined over a year's time as deposits grew and net loans declined. At this time, the ratio is below the national average, which declined with growth in deposits exceeding growth in net loans. The core capital (leverage) ratio decreased, while the two risk-based capital ratios increased over the period. Two of the three capital ratios, the exception being the total risk-based ratio, remained above the national average although the gap between the two lessened. Capital ratios (for most Louisiana-domiciled banks) remain well above national averages.

Non-current loans and nonperforming assets both decreased, causing the ratios to total loans and total assets, respectively, to also decrease. The ratio of non-current loans is below the national average while the ratio of nonperforming assets is above the national average, similar to a year ago. The dollar volume of net charge-offs for 2010 increased from the previous year. Although the net charge-off ratio increased over the year, it remained well below the national average with the gap decreasing during that time. **{As noted previously, non-current loans and nonperforming assets continue to reflect the impact of four failed bank acquisitions in the second and third quarter of 2009 as well as the acquisition of a fifth failed bank during the third quarter of 2010.}**

Thrifts - For Louisiana-domiciled thrifts, there was a modest increase in total assets and Tier 1 (core) capital, and a modest increase in total deposits on a year-over-year basis. Core deposits, as a percent of total deposits and borrowed money, increased moderately because borrowed money declined while core deposits and total deposits increased. For 2010, net income increased by more than \$3 million from the prior year, primarily because of a decline in interest expense and a small dollar volume of securities gains in 2010 versus substantial losses in 2009. As a result, the average ROAA increased slightly in a year's time and was 12 basis points below the national average, which was well above the ratio for the prior year.

The Tier 1 (core) capital ratio decreased slightly from the prior year, while the risk-based capital ratios both increased. All three capital ratios remained well above national averages. While non-current loans and nonperforming assets increased substantially, the ratios to total loans and total assets, respectively, still remain at manageable levels and well below national averages. Net charge-offs increased substantially over the prior year; however, the ratio of net charge-offs to total loans remains acceptable and is well below the national average. The ratio of net loans to deposits declined as total deposits increased and net loans declined. The ratio is now below the national average compared to a year ago when it exceeded the national average.

The **following chart** provides a comparison of key financial ratios for banks domiciled in the State of Louisiana and eleven (11) surrounding states as of 12-31-10. As you will see, Louisiana-domiciled banks continue to compare favorably with banks domiciled in neighboring states in most areas.

**12/31/2010 UBPR State Averages
 Commercial Banks Only**

State (FDIC Region)	ROA	Rank *	Sub S ROA	Rank *	Net C/Os	Rank *	Tier 1 Cap	Rank *	Non-Cur Lns	Rank *
Arkansas (Memphis)	0.79%	6	0.70%	5	0.73%	7	10.09%	4	2.27%	7
Colorado (Dallas)	0.04%	10	-0.02%	10	1.11%	10	9.22%	10	3.83%	10
Louisiana (Memphis/Dallas)	0.98%	3	0.82%	3	0.40%	2	10.04%	5	2.11%	6
Mississippi (Memphis)	0.70%	7	0.62%	7	0.60%	6	10.12%	3	1.57%	2
New Mexico (Dallas)	1.04%	2	0.84%	1	0.52%	5	9.55%	9	2.03%	5
Oklahoma (Dallas)	1.09%	1	0.84%	1	0.43%	3	9.84%	7	1.69%	3
Tennessee (Memphis)	0.37%	9	0.34%	9	0.77%	8	9.65%	8	2.74%	8
Texas (Dallas)	0.84%	4	0.69%	6	0.36%	1	9.96%	6	1.20%	1
Alabama (Atlanta)	0.40%	8	0.36%	8	1.06%	9	10.49%	1	2.94%	9
Florida (Atlanta)	-1.13%	12	-1.14%	12	1.96%	12	8.69%	11	5.68%	11
Georgia (Atlanta)	-0.65%	11	-0.67%	11	1.73%	11	8.48%	12	6.51%	12
Kentucky (Chicago)	0.82%	5	0.72%	4	0.47%	4	10.47%	2	1.94%	4
Nationwide	0.50%		0.41%		0.75%		9.81%		2.35%	

Rank *: Represents rankings from 1 to 12 or best to worst.

The following chart illustrates the level of non-current loans for state-chartered banks in Louisiana, all Louisiana-domiciled banks, and all banks nationwide from 12-31-05 through 12-31-10. While the ratio for Louisiana-domiciled banks has been trending up since the end of 2006, it remained below the national average until the most recent quarter-end. Prior to the most recent quarter-end, this was attributable to continued loan growth in Louisiana, with loans declining on a nationwide basis. The fourth quarter saw a decrease in Louisiana and on a nationwide basis.

Non-Current Loan Ratio

<u>Date</u>	<u>State-Chartered</u>	<u>All LA-Domiciled</u>	<u>Nationwide</u>	<u>Diff (LA vs NW)</u>
12/31/2010	5.12%	4.58%	4.87%	-0.29%
9/30/2010	5.44%	5.13%	5.12%	0.01%
6/30/2010	4.76%	4.63%	5.23%	-0.60%
3/31/2010	5.18%	4.87%	5.46%	-0.59%
12/31/2009	5.41%	5.21%	5.53%	-0.32%
9/30/2009	2.15%	2.87%	5.00%	-2.13%
6/30/2009	1.81%	2.64%	4.36%	-1.72%
3/31/2009	1.85%	2.57%	3.71%	-1.14%
12/31/2008	1.74%	2.23%	2.91%	-0.68%
12/31/2007	1.07%	1.20%	1.33%	-0.13%
12/31/2006	0.93%	0.76%	0.80%	-0.04%
12/31/2005	1.47%	1.08%	0.75%	0.33%

Note: The ratios shown above are the weighted average ratio from the Statistics on Depository section of the FDIC website, based on the Standard Peer Group of All Commercial Banks, grouped by State-Chartered, Louisiana-domiciled, and Nationwide. {Please note that the increase in the non-current ratio for the past four quarters for state-chartered and LA-domiciled banks occurred primarily due to the acquisition of several failed banks by a state-chartered bank, resulting in a significant increase in non-current loans. However, a large percentage of these loans are covered by a loss-sharing agreement with the FDIC as a result of the failed bank acquisitions.}

The following chart shows the ratio of noncurrent loans to the ALLL from the Uniform Bank Performance Report (UBPR) for each quarter from year-end 2008 through year-end 2010. The ratio shown is an average for commercial banks in the State of Louisiana and nationwide and a comparison of the two for each period.

<u>Date</u>	<u>Noncurrent Loans / ALLL</u>		<u>Diff (LA vs NW)</u>
	<u>All LA-Domiciled</u>	<u>Nationwide</u>	
12/31/2010	143.92%	126.80%	17.12%
9/30/2010	152.39%	132.46%	19.93%
6/30/2010	160.33%	134.21%	26.12%
3/31/2010	154.47%	135.38%	19.09%
12/31/2009	149.92%	132.18%	17.74%
9/30/2009	130.89%	137.45%	-6.56%
6/30/2009	127.15%	134.67%	-7.52%
3/31/2009	120.48%	128.47%	-7.99%
12/31/2008	113.34%	112.97%	0.37%

THE SECURE AND FAIR ENFORCEMENT FOR MORTGAGE LICENSING (SAFE) ACT

On 1-31-11, the federal banking agencies announced that the registration system for employees of insured depository institutions was now available. Therefore, the insured depository institutions and those employees that qualify as mortgage loan originators have until 7-29-11, to complete the registration process. The rules issued by the Federal agencies define various terms and provide an appendix that shows examples of mortgage loan originator activities. The rules and appendix will clarify questions that have arisen, such as what a residential mortgage loan encompasses and what offering or negotiating terms of a residential mortgage loan for compensation or gain entails. A copy of all the Federal Rules is available at <http://www.fdic.gov/news/news/press/2010/pr10170a.pdf>.

For more information, you may also refer to the FFIEC SAFE Act link at <http://www.ffiec.gov/safeact.htm>. This link will provide you with some FAQs and specific contacts for the agencies that issued the SAFE Act Rules.

Additional information specific to the registration of employees can also be found at the following:
<http://mortgage.nationwidelicencingsystem.org/fedreg/Pages/default.aspx>.

HURRICANE PREPAREDNESS

Since the 2011 hurricane season is fast approaching, we are linking [OFI's Emergency Preparedness Guide](#) and [regulator script](#) that are currently being distributed at the Hurricane Preparation Meetings hosted by the Louisiana Bankers Association (LBA) at various locations throughout the State of Louisiana. Once these meetings are completed on 5-19, you will receive a summary of the key topics of discussion, along with any hand-outs, from the LBA. You may also contact me at 225/925-4675 or by email at sseymour@ofi.la.gov.

Each year, prior to the start of hurricane season, we send out a request for primary and secondary emergency contact information for your disaster recovery team that will only be used in the event that we have to deal with an emergency event. The disaster recovery team is expected to maintain emergency contact information for the board and senior management. As part of this process, on 5-5-11, we faxed each financial institution a request to update their contact information. If you have any questions about the request, please contact Executive Staff Officer Donna Montagnino at 225/922-2627 or by email to dmontagnino@ofi.la.gov.

In 2010, the Louisiana Business Emergency Operations Center (LABEOC) opened here in Baton Rouge. Business leaders from Louisiana's financial services, communication, oil and gas, restaurant, retail and utility industries have been invited to participate in the LABEOC, representing a public-private partnership designed to make the state more self-sufficient during emergencies. For more information the LABEOC, please visit their website at www.LABEOC.org. In order for the LABEOC to have a significant impact in supporting the private sector, businesses are urged to register at www.LABEOC.org so that they can begin participating in the state's preparedness, response, and recovery efforts. We would encourage all financial institutions in the State of Louisiana to consider registering with the LABEOC. If you have any questions, please contact me directly at 225/925-4675 or sseymour@ofi.la.gov.

SMALL BUSINESS LENDING FUND (SBLF)

A number of Louisiana state-chartered banks and/or holding companies have submitted applications under the SBLF program which was created by the Small Business Jobs Act of 2010. The SBLF program makes available up to \$30 billion of capital to small community banks (<\$10 billion in TAs) with incentives to increase small business lending. State-chartered financial institutions are required to apply directly to Treasury, since it will be making the final investment decision. Treasury provides us with a copy of your application along with a request for comments. Here's the latest information we have on the SBLF program:

- To-date, no applications have been approved. In general, the approval process will be on a first-in, first-out basis.
- The deadline for C-Corp applications was pushed back from March 31st to May 16th. On 5-12-11, Treasury issued new Term Sheets for Sub-S and Mutual institutions. The new terms can be viewed on the SBLF's web page at <http://www.treasury.gov/resource-center/sb-programs/Pages/Overview-for-S-Corporation-Banks-and-Mutual-Institutions.aspx>. The deadline for all S-Corporations or Mutual Institutions to submit applications to Treasury will be the end of the day Monday, 6-6-11 (this includes those MHCs that will apply as BHCs). Treasury will follow the same procedure in submitting applications

to State Regulators as has been followed for the Subchapter C-Corporation applications that have been received to-date.

- Treasury is offering free live SBLF webinars on select dates throughout the month of May.

For more information about the program, please contact sblf@treasury.gov. You may also contact me directly at 225/925-4675 or sseymour@ofi.la.gov if you have any questions.

REDEFINING CORE AND BROKERED DEPOSITS

The Dodd-Frank Act requires that the FDIC study the definitions of "core" and "brokered" deposits to bring the definitions more in line with today's deposit products. While the studies are still on-going at this writing, they are due on 7-21-11. We understand that the FDIC's current analysis of brokered deposits indicates that, even when controlling for growth, high levels of brokered deposits correlate to failure. This would support the current definition. However, the FDIC is looking at other factors, such as deposits that are not technically reported as brokered but behave like them. They will have preliminary results in May -- with more to come later. They have received MANY comments and have set up a separate email account to receive them (coredepositsstudy@fdic.gov).

Comments centered on the following:

- > CDARS- should not be considered brokered
- > Sweep Accounts
- > Listing Services

The FDIC plans to hold future meetings with the industry but on a smaller scale. As for the inclusion of the new formula on the UBPR, it was implemented effective with the 3-31-11 data. The traditional NFD definition will continue unchanged, and a new definition that incorporates the \$250M FDIC insurance limit has been added. The Federal Reserve plans to use both ratios in their Report of Examination comments, and indicated that continuing to collect the \$100M data for several more quarters was important. They feel that the 250+ data needs to "be collected" for a while before being used for statistical analysis. The FDIC plans to use only the new ratio in their analysis. You may contact me directly at 225/925-4675 or sseymour@ofi.la.gov if you have any questions in this regard.

LEGAL LENDING LIMIT FOR PORTION OF LOAN SECURED BY OWN-BANK DEPOSITS

LSA-R.S. 6:415(C) states, "Loans and other extensions of credit which are fully secured by a pledge of any deposit of the lending bank are not subject to any of the limits prescribed by this Section." Since we have recently been asked to define "fully secured by a pledge of any deposit," the Commissioner decided to do so through an Advisory Opinion -- which we are currently drafting. Please contact Deputy Chief Examiner Kerry Morris at 225/925-4201 or kmorris@ofi.la.gov with any questions.

2011 LEGISLATION

The OFI is sponsoring two bills in the 2011 Legislative Fiscal Session. SB 87 authorizes the Commissioner to disclose records concerning any person subject to the jurisdiction of this Office when such records are requested by another state or federal agency having authority to license or investigate such entity or person. HB 144 authorizes the Commissioner to take any action that he deems necessary and appropriate regarding the utilization of an electronic database licensing system with respect to persons subject to licensure by this Office. This definition excludes financial institutions as defined in LSA - R. S. 6:2(8). In the meantime, the enrolled bills can also be found at the Legislatures website at: www.legis.la.gov. Please contact General Counsel Sue Rouprich at 225/922-1028 or srouprich@ofi.la.gov with any questions.

CONCENTRATIONS IN COMMERCIAL REAL ESTATE (CRE) LENDING

As I have mentioned previously, asset concentrations always warrant regulatory review. However, they become a regulatory concern when an institution's risk management practices are found to be deficient or lacking to a significant degree. First and foremost, you must identify the concentration risks in your loan portfolio by establishing comprehensive reports on specific loan types. Most of the institutions that have subsequently developed processes to 'slice and dice' their CRE loan portfolios for a closer look have commented that the exercise was very beneficial and could benefit other areas. CRE concentrations have been identified as a primary cause for many of the failures that have taken place in other areas of the country over the last two years. If you have not already done so,

you should refer to the FDIC's Office of the Inspector General website at <http://www.fdicoinc.gov/MLR.shtml> and review some of the Material Loss Reviews for an insight into the causes of the failures.

In addition, the federal regulatory agencies' policy statement on Prudent Commercial Real Estate Loan Workouts may be found at <http://www.fdic.gov/news/news/financial/2009/fil09061.html> which replaces their Interagency Policy Statement on the Review and Classification of Commercial Real Estate Loan dated November 1991 and June 1993. The audio file or transcript of a telephone seminar on this topic is located at <http://www.fdic.gov/news/news/financial/2009/fil09068.html>.

ACCOUNTING ISSUES:

SSAE 16, Reporting on Controls at a Service Organization, (formerly part of SAS 70)

The guidance for service auditors has moved from the SASs (auditing standards) to the SSAEs (attestation standards). The guidance for user auditors will remain in SAS 70. The procedures required by SSAE 16 are either the same as, or in some cases, more rigorous than those required by SAS 70. Therefore, in an SSAE 16 engagement, the service auditor obtains the same level of evidence and provides the same level of assurance as the service auditor did under SAS 70. SSAE 16 is effective for service auditor's reports for periods ending on or after June 15, 2011, with earlier implementation permitted.

Accounting Standards Update (ASC) No. 2011-02 (Receivables (Topic 310): A Creditor's Determination of Whether a Restructuring Is a Troubled Debt Restructuring (TDR))

During loan review, we continue to find instances where management has failed to properly identify and designate a loan as being a TDR. In evaluating whether a restructuring constitutes a TDR, a creditor must separately conclude that both of the following exist: 1) the restructuring constitutes a concession and 2) the debtor is experiencing financial difficulties. The amendments to ASC Topic 310 clarify the guidance on a creditor's evaluation of whether it has granted a concession and whether a debtor is experiencing financial difficulties. For public entities, the amendments in this update are effective for the first interim or annual period beginning on or after June 15, 2011, and should be applied retrospectively to the beginning of the annual period of adoption. For nonpublic entities, the amendments are effective for annual periods ending on or after December 15, 2012, including interim periods within those annual periods. Early adoption is permitted for public and nonpublic entities.

Audit Committee Composition & Independence

During our reviews of the effectiveness of audit programs, we are still finding instances in which the composition of audit committees is not sufficiently independent. In all instances, it is either a best practice or a statutory requirement for the audit committee to be independent of management. Part 363.5 of the FDIC's Rules and Regulations governs the composition of the audit committee of insured depository institutions with total assets of \$500 million or more as of the beginning of its fiscal year. Institutions with total assets of \$1 billion or more must establish an audit committee composed entirely of outside directors, and **ALL** audit committee members must be independent of management. Institutions with total assets of \$500 million, but less than \$1 billion, must establish an audit committee composed entirely of outside directors, and a **MAJORITY** of audit committee members must be independent of management. In addition, audit committees of large institutions, with more than \$3 billion in total assets, must include two members with banking and related financial management expertise and must not include any large customers of the institution. For purposes of Part 365.5, an outside director is a director who is not, and within the preceding fiscal year has not been, an officer or employee of the institution or any affiliate of the institution. You may review Part 365 in its entirety at <http://www.fdic.gov/regulations/laws/rules/2000-8500.html#fdic2000part363>. The appendix to this regulation offers additional guidelines and interpretations.

Pursuant to LAC 10:III.701(B), institutions with total assets of \$500 million or less are required to establish an audit committee of not less than 3 members, **the majority of which** should be outside directors. However, when reviewing the composition of the audit committee regardless of the size of the institution, it is always a best practice to include persons with the ability to objectively evaluate the propriety of management's accounting, internal control, and reporting policies. LAC 10:III.702 defines an outside director as a member of an institution's board of directors who: 1) are not officers, employees, or principal stockholders of the institution, its subsidiaries, or its affiliates, or 2) are not immediate family members of officers, employees, principal stockholders of the institution, its subsidiaries, or its affiliates, or 3) do not have any material business dealings with the institution, its subsidiaries, or its affiliates.

Communications with External Auditors Regarding Examination Findings

Recently, a question came up about appropriate interaction/communication between examiners and external auditors regarding examination findings. The *Interagency Policy Statement on Coordination and Communication Between External Auditors and Examiners*, which can be found at <http://www.fdic.gov/regulations/laws/rules/5000-3200.html#fdic5000interagencyps2>, specifically encourages regulators to invite external auditors to attend examination exit conferences upon completion of field work or other meetings between supervisory examiners and an institution's management or Board of Directors (or a committee thereof) at which examination findings are discussed that are relevant to the scope of the audit. It will be the practice of this office to give management the prerogative to invite the external auditors to attend examination exit conferences or other meetings between examiners and management in which findings are discussed. When other conferences between examiners and management are scheduled (i.e., that do not involve examination findings that are relevant to the scope of the external auditor's work), the institution shall first obtain the approval of the regulatory agency in order for the auditor to attend the meetings. The Policy Statement also permits meetings between examiners and auditors in the absence of the institution's management. While communication is encouraged, external auditors are expected to keep information contained in examination reports, inspection reports, and supervisory discussions confidential and may not disclose information obtained without the prior written permission of the regulatory agency.

OTHER TOPICS OF INTEREST

Flood Insurance – Recently, we've been working with representatives of the FDIC, FEMA, FRB-A, and LBA in an effort to answer questions from bankers located in areas of the state that are likely to experience localized flooding. Most of the questions centered on exceptions to the standard 30-day waiting period for the purchase of flood insurance and various consumer protection regulations. As a result of these discussions, LBA's General Counsel David Boneno has recently sent out a series of emails containing the responses received from the various agencies to the questions mentioned previously. If you did not receive these emails and/or have any questions, please contact me directly at 225/925-4675 or sseymour@ofi.la.gov.

Safe Deposit Boxes - If you are located in the "affected areas" and find it necessary to close and relocate a branch office, including any safe deposit boxes, as a result of any flood-related problems, please refer to the Commissioner's Emergency Declaration dated 5-13-11. The Emergency Declaration allows financial institutions in the affected areas temporary authority to close existing branch offices, or to close and/or relocate some or all of the operations, services and products of a closed branch office, **including safe deposit boxes**, to another location or location within the state. In addition, you should also notify the appropriate federal banking agency as soon as possible regarding such matters. If you have any questions, please contact me directly at 225/925-4675 or sseymour@ofi.la.gov. In addition, more information is available at the following website: <http://www.fdic.gov/gustav>.

FDICconnect – As mentioned previously, our email system may not be secure if your institution is not using Transport-Layer Security (TLS); therefore, all confidential information submitted electronically to this Office should be sent through FDICconnect. If your institution is not registered, go to www.fdic.gov and click the Quick Links for Bankers. On the Quick Links for Bankers page, you should see the link for FDICconnect. Once you click on the link, the FDICconnect Business Center will open and show you a number of links. These links will provide information on using this service and registering your institution.

We have learned that an OFI employee with access to FDICconnect must first establish a session with you for you to be able to exchange information with us. Therefore, please notify your Review Examiner that you would like to send us something, and he/she will set up the session so that you may safely exchange your information with us.

Subscribe to Receive Regulatory Alerts Automatically – As mentioned previously, you may register your email address to subscribe for regular notifications of regulatory alerts at the following websites:

FDIC -- https://service.govdelivery.com/service/multi_subscribe.html?code=USFDIC

FRB -- <http://www.federalreserve.gov/generalinfo/subscribe/notification.htm>

OTS -- <http://www.ots.treas.gov/?p=WebsiteSubscription>

Information on the Conference of State Bank Supervisors' (CSBS) Website – As mentioned in previous updates, I would encourage you to periodically check out the CSBS website. Their weekly newsletter contains a great deal of

useful information and will update you on the current matters affecting the state banking system. The direct link to the current newsletter is located at <http://www.csbs.org/news/csbs-examiner/Pages/121710.aspx>.

Their homepage, <http://www.csbs.org>, contains numerous helpful links.

Attached is a list of banking-related acronyms that are frequently used on a day-to-day basis by CSBS. I thought you and your staff might find it interesting and useful in communicating with state and federal regulatory agencies in the future. Click here (<http://csbs.informz.net/csbs/data/images/acronyms.pdf>) to view the document.

CLOSING COMMENTS

We are always looking for recommendations to improve the manner in which we conduct examinations. If you have noticed an area which needs improvement, please let me know. You can call me directly at 225/925-4675 or sseymour@ofi.la.gov.