

**FEDERAL RESERVE BANK
OF NEW YORK**

[Circular No. **10507**]
January 10, 1992]

WEEKLY PUBLICATION OF CRA RATINGS

*To All State Member Banks, and Others
Concerned, in the Second Federal Reserve District:*

The Board of Governors of the Federal Reserve System has announced that it is publishing its Community Reinvestment Act (CRA) examination ratings of State member banks on a weekly basis. The following is from the text of the Board's announcement:

This action is in accord with a recommendation to bank regulatory agencies made by the Federal Financial Institutions Examination Council. The CRA ratings now appear in a weekly Board release entitled, "Actions of the Board: Applications and Reports Received" (H.2), beginning with the H.2 for the week ending November 22, 1991.

In addition, this release will continue to provide the names of the institutions, their city-state addresses, and the date of each examination. Information will appear on this release only for those financial institutions whose CRA ratings became publicly available during the week indicated on the H.2. Only CRA examinations conducted on or after July 1, 1990, the effective date of public disclosure mandated by the Financial Institutions Reform, Recovery and Enforcement Act of 1989, have appeared on the release.

A list of all State member banks that have had CRA examinations since July 1, 1990, and the publicly available CRA ratings, may be obtained by contacting our Public Information Department (Tel. No. 212-720-6130).

E. GERALD CORRIGAN,
President.

FEDERAL RESERVE BANK OF NEW YORK

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CHESTER B. FELDBERG
EXECUTIVE VICE PRESIDENT

AT 10507
January 9, 1992

TO THE CHIEF EXECUTIVE OFFICERS OF
ALL STATE MEMBER BANKS

In carrying out its supervisory responsibilities over the years, the Federal Reserve System has endeavored to ensure that examination findings are based upon a balanced, fair and appropriate consideration of all relevant information, including the views and perspectives of state member bank management. The existing process affords opportunities for bank management and directors to communicate their views and concerns to examiners and Reserve Bank officials during the course of the examination and follow-up process. The objective of the process is to produce an accurate and clear report of the bank's condition and operations.

Currently, a state member bank that believes an error has been made in its examination may request that the matter be reviewed by supervisory personnel. If in the judgment of the Reserve Bank the matter has merit, consideration is given to the issue and an attempt is made to resolve the question in a fair and satisfactory manner. For example, bank management may discuss examination findings and loan classifications with the examiner-in-charge or other supervisory officials. Upon completion of an examination, examiners and/or supervisory officials meet with bank management and, as appropriate, the board of directors to discuss the examination findings and conclusions. These practices, taken together, have provided an avenue for maintaining appropriate lines of communication between bank management and directors, examiners and supervisory personnel.

We believe this process has played an important role over the years in helping to assure that significant concerns or questions bankers have regarding examination findings are given reasonable consideration by the Federal Reserve. Recent developments regarding the potential impact of examination policies and procedures on credit availability underscore the ongoing importance of this avenue of communication.

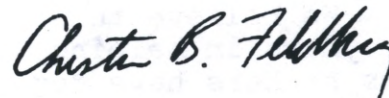
Consistent with longstanding practice, this informal process remains available to bank management for the purpose of bringing legitimate bank concerns or questions arising in connection with safety and soundness examinations to the attention of supervisory personnel or other appropriate officials of this Bank. In some cases, questions or concerns may be referred by bank management directly to senior officials or, on occasion, to the President of this Bank. These officials have the discretion to decide whether the circumstances of the particular situation, including the views of the bank involved, suggest that the matter should be resolved by individuals who did not participate directly in the particular decision or examination finding under review. This could include the President of this Bank or a designee directly accountable to the President for this purpose. In these situations, while the examiner might be consulted, the examiner would generally not be involved in making the final determination regarding the resolution of the matter.

Matters or questions addressed to the President should be limited to those that are significant and that (i) have an effect on the safety and soundness of the institution; (ii) have an impact on the operation, management, or financial standing of the institution; or (iii) have a material impact on the regulator's supervision of the institution. Requests for review by the President should be authorized by the state member bank's board of directors and be made within a reasonable time from the occurrence of the event or decision triggering the request.

The availability and implementation of this informal process is at the discretion of this Bank. It is intended for discussing and resolving legitimate concerns or good faith differences pertaining to material examination findings. It is not to be used to appeal or impede any formal supervisory or enforcement actions. Moreover, the existence of this informal avenue for communication and resolution does not prevent the Federal Reserve from taking any supervisory or enforcement action -- formal or informal -- it deems appropriate to discharge the System's supervisory and examination responsibilities.

Questions regarding this process may be directed to Mr. Robert A. O'Sullivan, Vice President, Domestic Banking Department at (212) 720-5692.

Yours sincerely,



Chester B. Feldberg
Executive Vice President