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## Examiners Attend CSBS Examiners Forum

Senior Examiners Wayne Arbuthnot, Kurt Blair, Roger Brock, Mike Faulkenberry, Ken Fisher, Daryl Jones, Doyle Jones, Randy Willard, and Gwen Wright attended the 2011 Conference of State Bank Supervisors' Examiners Forum in Austin, Texas.

The attendees felt that the Forum was especially relevant and timely this year. Sessions focused on regulation and exam procedures included and FDIC presentation regarding up-coming changes in examination procedures due to new "Forward Looking CAMELS"; discussions with Federal Regulators regarding "Lessons learned from the financial crisis" and how that will likely impact the future of regulation; and discussions from CSBS personnel regarding legislative changes that will affect the banking industry. Presentations were also made regarding the financial and monetary outlook for the US economy; state and municipal debt instruments and appropriate risk analysis of such; discussions of capital markets; and merger and acquisitions activity in community banks. Pending changes to the future of regulations were discussed in detail.

Many community banks are looking for higher yields and presently utilize municipal bonds to attain some of the higher yields offered. Insight gained during discussions regarding how to effectively analyze risk in this area will be useful to examiners while reviewing investment portfolios as well as when offering guidance to community banks.

In addition to the structured agenda, the annual Examiners Forum provides community bank examiners from across the country an opportunity to interact and exchange information with each other, as well as with personnel from various state, federal, and private agencies.

## Examiner Assists with Software Development

Senior Examiner Mike Kellum recently attended a SAGE (Strategic Analysis Generating Examination) Focus Group Meeting in Washington D.C.

SAGE is being developed to replace GENESYS, the current examination software package used to generate examination reports.

During the week-long meeting, the focus group reviewed, elaborated, and often revised numerous work flows, use cases, and program requirements.

Mike's involvement in this project is beneficial in that his knowledge and perspective as a tenured state examiner provide informed state representation that will help ensure the final software product is not only usable, but efficient.

**Please remember to include the name of your bank AND the name of your city when faxing board meeting minutes to the Banking Dept**

## Qualls Instructs at CSBS Credit Evaluation School

Regional Examiner K. Paul Qualls served as a credit analysis instructor at the Conference of State Bank Supervisors' Credit Evaluation School.

The school was available to all examiners who had recently begun training in the area of loan review and was formatted to build upon the on-the-job experience the examiners received both in the field and in the school's pre-course work.

The school included an exercise designed to help students identify which loans are critical for selection and review, instruction on using the Alert-produced line tickets for all of the selected loans, and an exercise to guide students through all the information that a complete credit file should contain for any given loan type and amount.

Finally, the students reviewed simulated loan line sheets and corresponding information such as collateral descriptions and financial information which they then used during a simulated loan discussion (with the instructor playing the role of loan officer).

The CSBS course is designed to provide students two opportunities to review different sets of loan line sheets along with loan discussion following. After successfully completing the on-site portion of the course, the students are required to complete post-course work once back in their respective offices.