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[FDIC's Electronic Request Form](#)

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August 8, 2012

FDIC FOIA Log Nos. 12-0715 and 12-0718

This letter will partially respond to your electronic message (e-mails) of July 22, 2012, in which you requested, pursuant to the Freedom of Information Act, 5 U.S.C. §552, several FDIC manuals.

Enclosed is the Failed Financial Institution Closing Manual consisting of 412 pages. We have withheld limited information on tasks, responsibilities, servicers, names and cell phone numbers. The basis for withholding this information is as follows:

(b)(4): Exemption 4 of the FOIA protects "trade secrets and commercial or financial information [that is] obtained from a person and privileged or confidential." 5 U.S.C § 552 (b)(4)

(b)(5): Exemption 5 of the FOIA permits the withholding of inter-agency or intra-agency memoranda or letters which would not be available by law to a party other than an agency in litigation with the agency. This includes information contained in internal communications which relate to predecisional staff opinions, recommendations, and discussions of policy alternatives (deliberative process privileged information), documents and other memoranda prepared by an attorney in contemplation of litigation (attorney work-product privileged information), and confidential communications between an attorney and the agency (attorney-client privileged information) and confidential communications relating to settlement negotiations (settlement privileged information). In addition, Exemption 5 permits the withholding of commercial information generated by the government leading up to the awarding of a contract or the consummation of a sale the disclosure of which would place the government at a competitive disadvantage.

(b)(6): Exemption 6 of the FOIA protects information about individuals in "personnel and medical files and similar files" when the disclosure of such information "would constitute a clearly unwarranted invasion of personal privacy." 5 U.S.C § 552 (b)(6)

We will respond to the remainder of your requests for manuals as soon as possible.

Furthermore, we will provide you with notice of your right to appeal the withholding of information when we complete the processing of these requests.

Your requests have been categorized as non-commercial use requests. As a non-commercial requester, you will be charged only for search time and duplication costs that exceed two hours and 100 pages, respectively.

Please contact me at 703-562-2719 if you have questions or need additional information.

Sincerely,

/Original Signed/

James Braun
Senior FOIA Specialist
FOIA/Privacy Act Group

Enclosure
(as stated 412 pages)

Failed Financial Institution Closing Manual - Introduction

Introduction

Contents

This section contains the following information on Introduction:

	Topic Title	
<u>Introduction</u>		I-2
<u>Scope and Application</u>		I-3
<u>Summary of Changes</u>		I-4

Introduction

The Closing Manual was developed to address the usual procedures for closing an FDIC insured financial institution. Financial institutions vary considerably in asset size, business lines, deposit mix, and branch structure. The economic causes of bank failures and the types of resolution transactions are additional variables that contribute to the complexity of designing a successful closing strategy. The amount of notice received by the Division of Resolutions and Receiverships to close an institution from various regulatory agencies can provide operational and resource challenges. For these reasons, the “usual procedures” may require certain adaptations by the assigned Receiver-in-Charge and/or Closing Manager to the specific circumstances of each bank failure.

The DRR Closing Manual is available in electronic mediums on the FDIC internal webpage.

Scope and Application

- The Closing Manual is not intended to provide detailed, technical explanations of tasks to be performed since such detail is contained in other FDIC manuals and directives.
 - The Closing Manual provides current closing procedures and guidelines for each program area. The tasks to be completed for financial institution closings are organized in the Closing Manual by function and in checklist format.
 - Each checklist is designed in a manner to allow tasks to be assigned to specific closing team members and to provide a tracking record as those tasks are completed. The specific circumstances of each bank failure may warrant the addition or deletion of certain tasks to one or more of the checklists. It is critically important that the Functional Managers be cautious of omitting tasks from the standard checklists without giving very careful consideration to the possible consequences of such omissions.
 - Each task for each checklist must be marked to indicate that the task was either completed or not applicable. For internal control purposes, it is important that none of the checklist items be left blank. Completed checklists are provided by each Functional Manager to the Closing Manager before the Functional Manager is released from the closing.
-

Summary of Changes

The changes included in the Closing Manual resulted from an extensive process review conducted during 2009 by the Strategic Operations Department. Subject-matter-experts representing the managers for each Section of the Closing Manual were also enlisted to provide balance to the process review. The resulting changes are:

- Updates as a result of changes in policy and procedures.
 - Adds new Sections for the Communications Manager, the Records Manager, and the Ombudsman.
 - Revises the Trust Section to add additional responsibilities.
 - Significantly revises the Settlement Section, the Business Information Systems Section, and the Personnel and Payroll Section.
 - Updates terms and abbreviations to the current FDIC lexicon.
-

Failed Financial Institution Closing Manual - Section 1

Receiver-in-Charge

Contents

This section contains the following information on Receiver-in-Charge:

	Topic Title	
<u>Overview</u>		1-2
<u>Closing Task Checklist</u>		1-3
<u>Subsection: 1.1 - Pre-Closing Preparation</u>		1-4
<u>Subsection: 1.2 - Closing Activities</u>		1-6
<u>Subsection: 1.3 - Post Closing Activities</u>		1-8
<u>Section 1: Exhibits</u>		1-10

Overview

The Receiver-in-Charge (RIC) is the coordination point for preparing an institution for receivership, the primary resource for solving problems that arise during the Resolution process, and the onsite party responsible for management of the Receivership for as long as needed. An RIC will be appointed by the Assistant Director, Strategic Operations, or designee, and will be responsible for planning activities with respect to an anticipated failing institution. The majority of the planning will be done in concert with the Closing Manager (CM).

The duties of the RIC begin before the closing of the institution and will continue until the Receivership is consolidated. In anticipation of prolonged receivership activities in the field, the RIC coordinates efforts with DRR Asset Management when establishing a field site, including use of failed bank employees employed through a payroll services contractor or the hiring of an asset management contractor to handle a specialized portfolio.

Once the institution has been closed, the RIC is the primary decision-maker and responsible party for all decisions in the field. The RIC will possess delegated authority to make asset, administrative, and operational decisions up to a certain pre-designated level. For decisions to be made that are above the RIC's level of delegated authority, the RIC recommends solutions to the appropriate level and follows up on the action decided.

In those instances when it is no longer economically or administratively beneficial for the RIC to remain onsite for post closing functions, the RIC ensures an orderly transition of resolution duties to a Post Closing Asset Manager (PCAM) for management of certain assets. Furthermore, the technical monitor role for contracts relative to failed bank employee payroll services, asset management, and other contracts will be transitioned to appropriate personnel remaining onsite.

The RIC remains responsible for Receiverships until arrangements have been made to consolidate the receivership field site location with Dallas or a Satellite Office. At that point, the RIC remains the point person until Receivership Oversight takes responsibility for the Receivership.

Note: This manual contains procedures for a standard Purchase and Assumption Agreement. See Exhibit I.A: Other Transaction Types for additional information if the transaction consummated is a different type.

 Failed Financial Institution Closing Manual

Closing Task Checklist

Institution: _____ **FIN:** _____

Section 1: Receiver-in-Charge
Closing Task Checklist
Assigned To: _____

Sub section:	Completed:	Description:
1.1	<input type="checkbox"/>	Pre-Closing Preparation
1.2	<input type="checkbox"/>	Closing Activities
1.3	<input type="checkbox"/>	Post Closing Activities

Sign-Off: _____ **Date:** _____

 Return all completed and signed task lists to the Closing Manager.

Pre-Closing Preparation

Institution: _____ **FIN:** _____

Section 1: Receiver-in-Charge

Subsection 1.1: Pre-Closing Preparation

Assigned To: _____

Task:	Completed:	Description:
A		Attend Franchise Marketing pre-closing meetings and obtain relevant marketing information.
B		Attend pre-closing managers and staff meetings and distribute failed bank information as appropriate.
C		Confirm that FAMB, BIS, and DIT have established a location for and installation of internet service at failing bank site.
D		For DINB or Payout resolutions, review failing bank's Business Continuity Plan and Disaster Recovery program with Closing IT Manager.
E		Prepare failed bank Strategic Resolution Plan in accordance with Strategic Resolution Plan instructions and present at the Senior Management Briefing(s), if requested.
F		If necessary, establish a preliminary failed bank employee retention strategy giving consideration to: a) cost of the incentive vs. the disruptive cost to the receivership should the employee(s) leave, b) industry standards, and c) alternative retention strategies.
G		Ensure that appropriate Delegations of Authority and Powers of Attorney have been issued.
H		Obtain list of qualified financial contracts and review with the Lead Closing Attorney, Asset Manager, and Washington Capital Markets representatives.
I		Set up procedures to send approved cases through FACTS.
J		Determine, along with functional managers, their need to employ outside contractors, including failed bank employees, in order to perform appropriate duties in the closing process and resolution functions while at the failed bank site.
K		Confirm with Investigator-in-Charge any pending bond claim activity and discuss Persons-of-Interest who will not be eligible for post closing employment either with the Receiver's temporary

 Failed Financial Institution Closing Manual

Task:	Completed:	Description:
		employee services contractor or in a DINB, Conservatorship or Bridge Bank resolution.
L		Establish media point of contact among Washington and Dallas offices and the failed bank site representatives.
M		For large institutions, DRR Senior Management will request various meetings to discuss and review the Strategic Resolution Plan. The RIC should discuss any potential issues that may be encountered in the closing.
N		Review and approve the RAC payroll budget. Adjust the budget and/or the organization chart as appropriate to the expected transaction type.
O		Coordinate with the bank's chartering authority to confirm the closing date and establish the closing time. The RIC should request the closing time to be the latest time any of the bank facilities that accepts transactional accounts from customers are closed. For example, a bank having lobby hours until 4:00PM and drive-up hours until 7:00PM should be closed at 7:00PM.
P		<p>Contact the winning bidder, provide a copy of the Assuming Institution's Pre-closing Information (See Exhibit I.B: Assuming Institution Pre-closing Information) and discuss:</p> <ol style="list-style-type: none"> 1. The closing process and weekend schedule. 2. Their responsibilities, particularly in regard to holds and referring questions from the media. 3. The importance of confidentiality until the closing. <p>Obtain:</p> <ol style="list-style-type: none"> 1. The name and telephone number of the contact person with the Assuming Institution (AI). 2. The AI's personnel attending the closing. 3. The AI's Board Resolutions identifying names and signatures of employees authorized to sign official receipts (See Exhibit I.C: Assuming Institution Information and Authorized Signers) on Assuming Institution letterhead, where possible. 4. The insurance binder covering the institution building, contents and liability naming the FDIC as Receiver as additional insured as of institution closing. <p>Ensure that Wiring Instructions (See Exhibit I.D: Wiring Instructions) and Tax Identification Number (TIN) are provided to the Accounting Manager. The TIN should also be provided to</p>

Failed Financial Institution Closing Manual

Task: Completed:

Description:

Q the Claims Manager.
Meet with Assuming Institution prior to bank closing, along with the applicable Functional Managers to discuss how the P&A will be administered and the role of each Functional Manager.

Sign-Off: _____ **Date:** _____

Return all completed and signed task lists to the Closing Manager.

 Failed Financial Institution Closing Manual

Closing Activities

Institution: _____ **FIN:** _____

Section 1: Receiver-in-Charge

Subsection 1.2: Closing Activities

Assigned To: _____

Task:	Completed:	Description:
A		Ensure that the closing notification email of the successful Appointment of FDIC as Receiver to the approved list of individuals as noted on the RIC/CM website is sent.
B		Upon Acceptance of Receivership, conduct a failed bank employee meeting. Inform employees of: <ul style="list-style-type: none"> • Name of Assuming Institution • Weekend Activity • Overtime • Dress Code
		(See Exhibit 1.E: Institution Employee Information Sheet)
C		Ensure that the weekend reporting mechanism begins with reports due Friday night and Sunday afternoon. Adjust this schedule if the closing occurs on a day other than Friday.
D		Attend daily Functional Managers' meetings with FDIC managers and distribute relevant resolution information.
E		Ensure that all qualified financial contracts are reviewed, and if disaffirmed, that notices are mailed on first business day. If the QFC's are transferred to the Assuming Institution, notice must be given to the appropriate account parties.
F		Participate in Settlement meeting with Assuming Institution.
G		Participate in Proforma meeting with Assuming Institution.
H		Confirm with the Asset Manager that first notice letters have been sent to customers whose loans have been retained by FDIC.
I		Have appropriate space available to meet with borrowers and deposit customers during normal banking hours while in the field.
J		Determine which FDIC retained unfunded commitments will be honored.

 Failed Financial Institution Closing Manual

Task:	Completed:	Description:
K		Obtain case approval to fund or disaffirm unfunded commitments.
L		Set procedures with the Financial Manager and the Assuming Institution, if necessary, on funding and tracking advances for FDIC retained unfunded commitments.
M		Ensure that the security review for failed bank employees has been completed in accordance with the attached guidelines in Exhibit 1.F: Retention and Personnel Security Guidelines for Failed Institution Employees if the failed bank employee will be given access to the FDIC computer systems.
N		Ensure that PII/SI is secured and encrypted at all times.
O		Ensure PII/SI content on SharePoint, thumb drives, laptops, and e-mails is handled in compliance with FDIC Directives and Policy.
P		Confirm closing team members have executed all assigned tasks and have properly disposed of PII/SI in their possession.
Q		Review completed tasks and confirm PII/SI compliance in accordance with FDIC Directives and Policy.

Sign-Off: _____ **Date:** _____

Return all completed and signed task lists to the Closing Manager.

 Failed Financial Institution Closing Manual

Post Closing Activities

Institution: _____ **FIN:** _____

Section 1: Receiver-in-Charge

Subsection 1.3: Post Closing Activities

Assigned To: _____

Task:	Completed:	Description:
A		Impress upon the Assuming Institution that it is their responsibility to ensure that the FDIC account holds are sustained until appropriately released.
B		As necessary, meet with customers to assist them with questions and problems or refer them to the OO.
C		Confirm with the Asset Manager that assets transferred under terms of the P&A are receipted to the Assuming Institution.
D		Present list of Letters of Credit to the Assuming Institution, and request that they replace the LOC's prior to disaffirmation.
E		Present list of FDIC retained unfunded commitments to the Assuming Institution, and request that they review them for possible assumption prior to disaffirmation. Inform the Asset Marketing representative and Post Closing Asset Management team leader as appropriate.
F		Ensure that notice letters are sent to depositors whose accounts have been held by FDIC.
G		Finalize and implement employee retention strategy. A case is required under B(53) Delegation of Authority.
		Note: An example can be found on the DRR RIC/CM web page.
H		Ensure that repossessed collateral is disposed of in a cost effective manner.
I		Confirm how the failed bank employee costs are to be shared by FDIC and Assuming Institution.

 Failed Financial Institution Closing Manual

Task: Completed:	Description:
J	Depending on the transaction type, the RIC or PCAM will obtain a schedule of contracts (including employment contracts), agreements, and leases from closing team. Ensure that appropriate staff is prepared to write disaffirmation cases and notices on items not assumed by the Assuming Institution. The Assuming Institution may decline certain contracts and agreements immediately, but others will need further review. In either case, disaffirm the contracts, agreements, and leases, as soon as possible.
K	Ensure that assets retained by FDIC and not immediately being sold by Asset Marketing or being liquidated in the field, are converted to the appropriate FDIC system of record as soon as possible.
L	Verify that Legal has provided a list of loans subject to litigation.
M	Confirm and coordinate with NFOB and Asset Marketing and/or Washington Capital Markets the sales timeline for loan pool sales or structured transactions.
N	Have FDIC staff available to answer questions and respond to customer needs while assets are in process of being sold.
O	If receivership assets are to be sold later at the failed bank site, ensure that appropriate space, staffing, and equipment are available. Ensure contingency space is planned if lease on bank premises will be repudiated.
P	Offset or release deposit hold accounts prior to consolidation, if possible.
Q	Ensure that hold accounts remaining after consolidation, if any, are assigned to appropriate staff.
R	Discuss FDIC's servicing requirements with the Closing Manager, Financial Manager, and BIS. If the Assuming Institution is to process work, attend negotiations to ensure the following: <ul style="list-style-type: none"> • they have adequate safeguards, • the price charged is reasonable, • they can process on time, and • they will generate timely and accurate reports.
S	Confirm with BIS-DIT-PCAM as applicable: <ul style="list-style-type: none"> • dismantling and shipment of ARUBA system to DIT • the continued need for internet service and or shut down of service.

Failed Financial Institution Closing Manual

Sign-Off: _____ **Date:** _____

Return all completed and signed task lists to the Closing Manager.

Section 1: Exhibits

List of Exhibits

Exhibit 1.A: Other Transaction Types

Exhibit 1.B: Assuming Institution Pre-Closing Information

Exhibit 1.C: Assuming Institution Information and Authorized Signers

Exhibit 1.D: Wiring Instructions

Exhibit 1.E: Institution Employee Information Sheet

Exhibit 1.F: Retention and Personnel Security Guidelines for Failed Institution
Employees

Exhibit 1.A: Other Transaction Types

The majority of the resolution transactions that are consummated are standard Purchase and Assumption Agreements, whether they be a Clean P&A where few assets pass to the Assuming Institution or a P&A with Optional Asset Pools. The information in the closing manual is pertinent to those standard agreements. However, when an alternate transaction is used, various processes and procedures are changed. This exhibit discusses the processes and procedures that differ when a standard P&A is not use.

Whole Bank Purchase and Assumption (with or without Loss Sharing)

The whole bank purchase and assumption transaction is a variation of the P&A transaction, distinguished by the fact that virtually all the failed bank's assets are passed to the acquirer with the institution's liabilities for a one-time cash payment. It should be noted that these types of transactions are called Whole Bank because we have sold everything that was marketed. However, in many instances not everything is marketed. The Receiver can keep distressed loans, non-marketable securities, and ORE. It is important to find out what assets were retained by the Receiver. Whole bank transactions represent the most dramatic attempt by the FDIC to quickly pass assets from failed banks back into the private sector. Whole bank transactions are perceived to offer certain important advantages over other methods of transactions. The effect on the local community is reduced because loan customers of the failed institution continue to be serviced by an ongoing bank. In addition, whole bank transactions have slowed the growth in the volume of assets held by the FDIC for liquidation.

The following are additional considerations for the RIC when a Whole Bank transaction is used.

Task: Completed:

Description:

- | | |
|---|---|
| A | Payroll Contractor - in some cases no payroll contractor is needed as the Assuming Institution will acquire all employees. In other cases, a payroll contractor will still need to be retained as the FDIC may be responsible for employee expenses for up to 90 days. |
| B | Branch Managers - in some cases, it is not necessary to staff all branches or to provide only limited staffing for the larger multi-service branches. |
| C | <p>PCAM - since usually there are no assets to service post closing, there is no need for a PCAM. However, the RIC should determine which assets were retained before the PCAM is released. Duties that fall to the RIC include:</p> <p style="padding-left: 40px;">Contractor Oversight - the RIC is responsible for reviewing the timesheets for all contractors that are associated with the resolution.</p> <p style="padding-left: 40px;">Contractor Tools - the RIC must ensure that the contractors have appropriate access to FDIC systems, specifically FACTS. While onsite, they will need FDIC laptops and tokens. Further, they will need access to supplies and postage to mail letters.</p> <p style="padding-left: 40px;">Contracts and Leases - the onsite contractors are responsible for gathering the contracts and leases that are not assumed by the Assuming Institution. The RIC or the Claims Unit in Dallas must manage the repudiation process.</p> |

Failed Financial Institution Closing Manual

Task: Completed:**Description:**

- D Lease Payments - the RIC must ensure that the lease payments and utility bills are paid during the Fixed Assets option period. After the Assuming Institution has made a decision to reject properties, the RIC must work with ORE to ensure these payments are made until ORE sells the properties.
- E Utility Bills - if the Assuming Institution does not assume the Fixed Assets after the option period, the RIC must request a final utility bill, after discussion with ORE.
- F Powers of Attorney - until the Assuming Institution is provided with Powers of Attorney on behalf of the FDIC, the RIC must sign all lien releases and similar legal documents.
-

 Failed Financial Institution Closing Manual

Payoff

A deposit payoff is executed only if the FDIC does not receive a less costly bid for a P&A transaction. In a payoff, no liabilities are assumed, and no assets are purchased by another institution. The FDIC must pay, directly or through an agent, insured deposits. The FDIC determines the amount in each depositor's account entitled to deposit insurance and pays that amount to the depositor.

In most cases, FDIC will elect to pay depositors their insured amount by check through the mail. Checks are usually generated within several days of closing, mailed from the Dallas Field Operations Branch and take approximately 3 to 4 days to reach the depositor. During this time, the depositor will not have access to any funds at the bank (to include a bank issued Debit or ATM card) and any outstanding checks will be returned and noted as bank closed. For those depositors having government direct deposits, FDIC will attempt to arrange for another bank to accept those deposits for a limited time in order to allow those depositors to receive their scheduled deposit (mostly social security checks) and arrange for a new depository.

The following are additional considerations for the RIC when a Payoff transaction is used.

Task:	Completed:	Description:
A		Claims - as there will be uninsured depositors, the closing team must be supplemented with additional Claims Support personnel to assist deposit customers.
B		Agent Bank - the RIC may have to work with the Agent Bank to define the duties of each party. It is necessary to determine exactly what each party will be responsible for.
C		Cash Management - all cash should be counted and balanced with Proforma. Prepare the cash for pickup or shipment to the Federal Reserve, usually the next business day.
D		Collateral and Safekeeping - all collateral and safekeeping items should be inventoried and secured. The owners should be contacted so that other arrangements can be made.
E		Records Management - all records of the failed bank should be inventoried and shipped to a designated location (i.e. another branch, Dallas, or Iron Mountain).
F		Town Hall Meeting (in a small town) - due consideration must be given to holding a Town Hall Meeting. Consider the community's reliance on the bank, the date of the last bank failure in the immediate area, and media attention surrounding the impending failure.

 Failed Financial Institution Closing Manual

Task:	Completed:	Description:
G		<p>Financial - ensure that there is another financial institution in the area to receive all government ACH deposits.</p> <p style="padding-left: 40px;">Update the question and answer guide to address government ACH deposits.</p> <p style="padding-left: 40px;">Ensure that Customer Service knows the difference between government ACH deposits and all ACH deposits, so they can properly answer customer questions.</p>
H		<p>BIS and Claims - BIS will extract address data from files for purposes of mailing out the depositor's check. In rural areas the mailing address may be different from the residing address. It is critical that BIS extract the mailing address.</p>
I		<p>Safe Deposit Boxes - if the failed institution has safe deposit boxes, Legal should provide an opinion regarding the form, type of notice required to provide the box owner, and the minimum time frame needed for the receiver to remove and move the contents of the box.</p> <p style="padding-left: 40px;">Legal should also draft the notice concerning the hours and days for claiming safe deposit contents.</p> <p style="padding-left: 40px;">Provide the notice to Customer Service.</p> <p style="padding-left: 40px;">Call owners to encourage them to promptly remove their contents.</p>
J		<p>Payroll Contractor - have staff meet with the assigned payroll contractor as soon as possible prior to the bank's closing. A plan needs to be developed so that the former employees are addressed and hired on with the payroll contractor as soon as possible.</p>
K		<p>Employee Benefits - Since there is not an assuming institution, the employee benefit and payroll teams need to be well prepared for the employee meeting. The former bank employees in a payoff transaction will have more concerns than normal, and it is important that they are given as much information as possible.</p>

 Failed Financial Institution Closing Manual

DINB

Under the Banking Act of 1933, the FDIC's sole means of paying depositors of a failed institution was through a "new bank," or Deposit Insurance National Bank (DINB), a national bank of limited life and powers that is chartered without any capitalization. A DINB allows for a failed bank to be liquidated in an orderly fashion, minimizing disruptions to local communities and financial services markets.

The following are additional considerations for the RIC when a DINB is established.

Task:	Completed:	Description:
A		Claims - as there will be uninsured depositors, the closing team must be supplemented with additional Claims Support personnel to assist deposit customers.
B		Board of Directors and Officers - ensure that a Board of Directors and Officers has been appointed to oversee the operation of the DINB.
C		Deposit Operations - special attention and coordination should be made between Claims, BIS, and bank operations (Failed Bank and Managing Bank) to set policies on account rules, holds, service fees and account closings.
D		Branch Management - it will be necessary to have additional staff at each of the branches primarily for crowd control, but also for communication and branch close-out procedures.
E		Cash Management - ensure that the DINB has enough cash and check stock on hand for the re-opening.
F		Wire Room - take control of the Wire Room and tokens. Shut down access to wire transfers.
G		Day-to-Day Operations - control the day-to-day operations of the DINB to ensure a timely wind-down of operations.
		NOTE: in a DINB, the FDIC is the Assuming Institution and should be treated like any other Assuming Institution. Ensure that there are separations of duties for Settlement and other necessary functions.
J		Payroll Contractor - have staff meet with the assigned payroll contractor as soon as possible prior to the bank's closing. A plan needs to be developed so that the former employees are addressed and hired on with the payroll contractor as soon as possible.

Failed Financial Institution Closing Manual

Task: Completed:**Description:**

K

Employee Benefits - Since there is not an assuming institution, the employee benefit and payroll teams need to be well prepared for the employee meeting. The former bank employees in a DINB transaction will have more concerns than normal, and it is important that they are given as much information as possible.

 Failed Financial Institution Closing Manual

Bridge Bank

The Competitive Equality Banking Act of 1987 authorized the FDIC to create Bridge Banks to resolve failing institutions. A Bridge Bank is a full-service national bank chartered by the Office of the Comptroller of the Currency and controlled by the FDIC. Initially, a Bridge Bank is operated for two years, with three one-year extensions. Bridge Banks, which provide the FDIC time to arrange a permanent transaction, are especially useful in situations where the failing bank is large or unusually complex.

The following are additional considerations for the RIC when a Bridge Bank is established.

Task:	Completed:	Description:
A		Claims - increase the number of Claims Support personnel to assist deposit customers.
B		Board of Directors and Officers - ensure that a Board of Directors and Officers has been appointed to oversee the operation of the Bridge Bank.
C		Payroll Contractor - have staff meet with the assigned payroll contractor as soon as possible prior to the bank's closing. A plan needs to be developed so that the former employees are addressed and hired on with the payroll contractor as soon as possible.
D		Employee Benefits - special care should be given to employees who will be employed through the payroll contractor to provide employee benefits. Address Workman's Compensation coverage.
E		Day-to-Day Operations - control the day-to-day operations of the Bridge Bank to maintain the integrity of the operations.

NOTE: in a Bridge Bank, the FDIC is the Assuming Institution and should be treated like any other Assuming Institution. Ensure that there are separations of duties for Settlement and other necessary functions.

Exhibit 1.B: Assuming Institution Pre-Closing Information

	Topic Title	
Closing Overview		1.B-1
Closing Weekend		1.B-3
Roles and Responsibilities		1.B-4

Closing Overview

Introduction

Once the winning bidder has been determined, a meeting to sign the Purchase and Assumption or Deposit Transfer Agreement (Agreement) will be arranged by the Division of Resolutions and Receiverships. Either simultaneously with the signing meeting, or immediately thereafter, a pre-closing meeting with key FDIC Managers will be held.

During this meeting the Receiver-in-Charge, the Closing Manager, and representatives from other FDIC closing functions will discuss what you can expect from FDIC and what will be required of you. Each department will give you an overview of its role during the closing weekend and answer any questions you may have regarding the closing process.

FDIC, Assuming Institution, and Failed Institution personnel will have to work in harmony to ensure the smooth and efficient transfer of deposits over the weekend so that you may open for business on Monday morning.

If you have any further questions after this meeting, please contact the appropriate FDC Functional Manager for the area in which you have a question.

Failed Financial Institution Closing Manual

Quick Look at the Closing Weekend “Events”

Almost all closings occur on a Friday. Some of the major tasks performed over the initial weekend are listed below. These tasks must be done so deposits, purchased assets and the financial information can be turned over to you as quickly as possible.

Night of Closing

- Speech made by RIC to failed institution employees on their role in helping re-open the bank.
- Armed guard service arranged by FDIC arrives to secure premises.
- All work is processed by deadline imposed by Data Processing Servicer.
- If desired, cash counted (by Failing Institution personnel with FDIC personnel observing) and receipted to Assuming Institution. Cash count is optional. If cash is not counted, end of day teller reconciliations are adequate for FDIC purposes.
- Records located and secured.
- Closing night reports ordered from Data Processing Servicer.
- Exterior locks changed, if the Assuming Institution desires. Arranged by Assuming Institution, if needed.
- Teller keys and inner vault combinations (to where cash is stored) receipted to Assuming Institution.
- Process begun of identifying holds to be placed on deposit accounts (uninsured, potential uninsured, credit, etc.)
- Make arrangements for paying the employees post-closing. In a whole bank we generally do not put employees on the payroll of the FDIC payroll contractor. The Assuming Bank should make arrangements for paying the employees post-closing. Some of the employees may be performing some work for the Receiver, in which case, the Receiver will reimburse the Assuming Institution through the Settlement process.

Saturday

- Inventory of records begun using latest available information.
- Reconciliation and inventory of official items completed. (cashiers' checks, travelers' checks, expense checks, etc.)
- Proforma process of “balancing the institution” begun.
- Closing night reports received, separated, and distributed to FDIC and Assuming Institution personnel.
- Failed Institution personnel used in all areas to help balance, locate, explain, and inventory records.
- Process of identifying holds to be placed on deposit accounts continued.

Failed Financial Institution Closing Manual

Sunday

- Task of inventorying, locating, and balancing records continued.
- Credit files and collateral for all loans located, segregated, and secured.
- Process continued for determining uninsured deposits, if an uninsured deposit transaction.
- List of holds to be placed on deposit accounts (uninsured, potential uninsured, credit, etc.) given to the Assuming Institution for input into the system, if an insured deposit transaction.
- Public areas readied by Assuming Institution so branch can open for business.
- At a mutually agreed upon time between FDIC and the Assuming Institution, failed institution employees interviewed for potential employment.
- Assuming Institution holds an all employee meeting. The Assuming Institution can use this meeting to welcome the employees to their new family, discuss goals and continuing operational issues, and respond to employee questions and concerns.

During The Following Week(s)

- Monday Morning - estimated wire figure sent to FDIC in Washington, DC so funds can be wired to the Assuming Institution later on that day, if applicable.
- Meetings arranged by FDIC Claims Agents with uninsured depositors, if an uninsured deposit transaction.
- Proforma process continued. When completed, a meeting will be held to explain adjustments.
- Settlement meeting held with Assuming Institution personnel to explain the Settlement process (this meeting may occur on Sunday).
- Files and Notes inventoried and split. Those acquired in loan pools receipted to buyer(s) when Proforma is complete and the lists balanced to Proforma with FDIC retaining the remainder.
- Payment processing arrangements finalized and implemented.
- FDIC loans segregated on the Data Processing System (after Proforma completed and loan splits balanced).

Closing Weekend

The appropriate chartering agency will present orders declaring the institution closed and appointing the Federal Deposit Insurance Corporation (FDIC) as Receiver of the failed institution on the night of the closing. A Receiver-in-Charge, who has already been

Failed Financial Institution Closing Manual

named, will be responsible for the ultimate disposition of the failed institution assets and liabilities that were not sold as a part of the franchise sale. The Closing Manager will direct the daily closing operations while onsite. The RIC will then begin closing activities and start preparing the Receivership to manage and dispose of the Receivership's assets.

The main objective of the FDIC for closing weekend is to complete, as much as possible, the Proforma process, which involves controlling, inventorying, and balancing the books of the failed institution. An estimated Proforma must be completed by Sunday night to arrive at an estimated wire amount due either to you or the FDIC.

A second and equally important priority is to determine potentially uninsured deposits (when insured deposits transfer). These determinations must be made over the weekend so FDIC Claim Agents can begin talking to potentially uninsured depositors as soon as possible.

The failed institution employees will be assisting FDIC personnel in completing closing activities. Detailed on the following pages are descriptions of the FDIC Departments that you will be interacting with over the closing weekend and beyond.

FDIC Closing Team: Roles and Responsibilities

Receiver-in-Charge

- Responsible for disposition of the assets and liabilities and winding up all affairs of the Receivership.
 - Handles all contacts with the media in conjunction with the FDIC Ombudsman's representative and/or the Office of Public Affairs.
 - Has Power of Attorney to execute documents on behalf of the Receivership.
 - Acts as the primary contact for the Assuming Institution.
-

Closing Manager

- Plans, manages, and coordinates all activities relating to the closing.
- Manages the Closing Team.
- Acts as the primary contact for the Failed Institution employees.

Failed Financial Institution Closing Manual

Financial (Proforma) Team

- Closes out the books of the failed institution.
 - Reconciles general ledger accounts and compiles an adjusted final balance sheet for the failed institution.
 - Compiles a balance sheet for the Assuming Institution reflecting the assets and liabilities assumed per the Agreement, and a balance sheet of assets and liabilities retained by the FDIC.
 - Determines the wire amount sent on the first business day following closing.
 - Coordinates continuation of asset servicing of FDIC loans by the Assuming Institution (per the Servicing Agreement).
-

Asset Team

- Inventories, segregates, and secures pooled notes, files, and collateral.
 - Determines, based on the Agreement, the split of assets between the Assuming Institution and FDIC.
 - Receipts assets to the Assuming Institution.
 - Begins disposal of assets not acquired by the Assuming Institution.
 - A Post Closing Asset Manager (PCAM) and staff (typically contract personnel) may remain onsite to continue the receivership asset disposition process.
-

Claims Department

- Discharges the Corporation's liabilities for the payment of insurance to depositors.
 - Notifies and meets with uninsured depositors.
 - Completes determinations of insurance and creditor claims pursuant to the Federal Deposit Insurance Act, FIRREA, and the National Depositor Preference Act.
 - Determines and notifies the general creditors that the institution has failed.
 - *Please note:* As only the deposit liability is assumed and not the deposit contract itself, the Assuming Institution may not charge an early withdrawal penalty until it has established a new agreement with the depositor authorizing such a penalty.
-

Failed Financial Institution Closing Manual

Information Resource Management (Business Information Systems)

- Coordinates and communicates with the data processing servicer, whether in-house or off-site.
 - Coordinates report generation and distribution.
 - Controls and transfers or terminates any E-Banking capability.
-

Legal

- Receives the Chartering Agency Orders and ensures that the closing documents are complete, accurate, and signed.
 - Works in an advisory capacity for the Receiver-in-Charge and Closing Manager.
 - Provides the Closing Team with legal interpretations of the Agreement.
 - Reviews all pre-closing litigation.
-

Personnel and Employee Benefits

- Inventories the failed institution's personnel files for receipt to the Assuming Institution.
 - Holds employee meeting for failed institution employees to provide them with insurance continuation alternatives should they not be offered employment and health benefits by the Assuming Institution.
 - Terminates the 401k plans and other qualifying plans.
-

Settlement

- Administers the Purchase and Assumption Agreement.
 - Monitors transactions to assure compliance with all terms and conditions of the Agreement by the Assuming Institution and the FDIC.
 - Administers the transfer of funds to and from the Assuming Institution for the payment of assets sold under the Agreement and the reimbursement of expenses incurred on behalf of the FDIC or the Assuming Institution.
 - Notifies all correspondent institutions and transfers accounts.
 - Acts as the Assuming Institution's key contact during the Settlement process.
-

Failed Financial Institution Closing Manual

Asset Marketing

- Reviews assets retained by FDIC, assembles packages, and implements procedures to market and sell the assets to interested investors.
-

Investigations

- Processes bond claims and Director and Officer insurance claims.
 - Conducts employee interviews and desk audits.
 - Oversees the gathering and inspection of bank records.
-

Exhibit 1.C: Assuming Institution Information and Authorized Signers

(Assuming Institution Letterhead)

(If not on letterhead)

Assuming Institution: _____

Address: _____

Phone: _____ Fax: _____

Corporate Contact Person(s)	Phone #
_____	_____
_____	_____

The individual(s) named below are authorized to act on behalf of the above Assuming Institution:

Branch Acquired	Authorized Signer	Signature	Phone #
----------------------------	--------------------------	------------------	----------------

 Failed Financial Institution Closing Manual

Department Assignments	Authorized Signer	Signature	Title	Phone #
Loan Servicing/ Note Dept.				
Credit /Loan Area				
Retail Banking				
Human Resources				
IT/ Data Processing				
Facilities/Security				
Accounting				
Legal				
Corporate				
Others				

Authorized by: _____

(Signature) _____

(Date)

(Title)

Exhibit 1.D: Wiring Instructions

Assuming Institution: _____

Tax ID Number: _____

Contact Person: _____ Phone: _____

Institution to send Wire to: _____

Routing Number: _____

Account Number: _____

Additional Instructions: _____

Authorized by: _____ (Signature) _____ (Date)

(Title)

Exhibit 1.E: Institution Employee Information Sheet

The subject institution has been placed into receivership and is under the control and management of FDIC. The FDIC has/has not entered into a _____ Agreement with _____ whereby certain assets and deposits will transfer to _____. They will be addressing you _____. In the case of a Payoff, the FDIC Claim Agent will provide additional information.

We understand that this is a difficult time for everyone involved. Some of you will be working late tonight and through the weekend. The approximate hours for Saturday and Sunday will be _____. You will be compensated for the time you work over the weekend. We would deeply appreciate your cooperation and efforts. Feel free to call home to notify your family that you will be working late. If you have any prior commitments, please see me. Attire will be casual. (Remember your possible future employer may be around this weekend). If an FDIC Functional Manager does not speak with you in the next hour, please see the Receiver-in-Charge or the Closing Manager.

As far as depositors are concerned, [it will be business as usual] OR [only the insured deposits were assumed}. For additional answers to depositor questions, please refer to the Question and Answer Guide, which will be distributed to you. It addresses some of the more common questions. In the case of a Payoff, the Claim Agent will provide additional information. Naturally, there will be other questions. Please do not hesitate to ask any questions of us. If we do not know, we will find out for you.

DO NOT TALK TO THE MEDIA. Refer all calls from TV, Radio, and Newspaper reporters to the Ombudsman [NAME] whose phone number is _____ or to the Receiver-in-Charge.

It is essential that all work be processed regardless of whether it is normally done on a weekly or monthly basis. All checks must be processed.

There will be a sign in/sign out sheet located at the main entrance. Make sure you utilize the form so that you will be credited with your work hours.

Please do not be offended if an FDIC representative goes through your desk; it is standard procedure - no personal items will be taken.

Unfortunately, we are very limited on space, so please do not be offended if an FDIC representative shares your space for the weekend. There will be a lot of work to accomplish together. We can't do this without your cooperation.

Again, we wish to emphasize that we realize you will have many questions regarding the current situation. Please do not hesitate to ask. Your cooperation will ensure a smooth transition.

Failed Financial Institution Closing Manual

All loan information and documentation should be returned to the credit file and all credit files should be returned to their appropriate place.

Are there any questions?

Telephone Statement (Payoff Only)

All telephones are to be answered: “Federal Deposit Insurance Corporation, as Receiver for _____.”

[Listen to inquiry from caller]

“The _____ has been closed and the Federal Deposit Insurance Corporation (FDIC) has been appointed Receiver. Please pay attention to the local newspaper and other media concerning the future developments. If the balance in your interest bearing account(s) (this includes any accounts in which you have an ownership) is less than \$250,000, or if your deposits are in a non-interest bearing transaction account(s), your deposits are safe.”

1. Limit responses to inquiries from customers to the prepared statement provided above.
2. Calls to and from FDIC Personnel are to be accepted.
3. Calls from other regulatory agencies are to be referred to the Receiver-in-Charge.
4. All television, radio, and newspaper related calls are to be referred to the Ombudsman [NAME] at (____)_____ or the Receiver-in-Charge [NAME] at (____)_____.

Telephone Statement (Successor Bank)

Ask the successor branch manager to provide a script for the receptionist and a list of successor bank personnel phone numbers. Supply the manager with the FDIC Ombudsman’s telephone number, the Receiver-in-Charge’s telephone number as well as your own.

Exhibit 1.F: Retention and Personnel Security Guidelines for Failed Institution Employees

Retention and Personnel Security Guidelines for Failed Institution Employees:

Any failed institution employee to be retained during the course of a typical 1-2 week field resolution shall be required to execute a Confidentiality Agreement. The RIC, or designee which may be the Post Closing Asset Manager, should review the personnel files and records, including credit reports, in order to assess the risk of compromise of sensitive institution and customer information. The directives and forms relative to personnel security issues can be located on the RIC/Closing Manager website.

Receiverships where the loans of the failed institution are to be sold and serviced from the receivership field site for:

- A. Not more than two weeks and for any employees holding positions classified as “low” risk in accordance with DOA Directive 1610.2 (regardless of retention duration), such retained employees will execute a Confidentiality Agreement. The RIC, or designee, will review the retained employee personnel records held by the failed institution.
- B. More than two weeks, but less than one year:
 1. Each retained employee holding positions classified as “moderate” or “high” risk in accordance with DOA Directive 1610.2 must execute:
 - a. Confidentiality Agreement;
 - b. Form 1600-04 (Background Investigation Questionnaire); and,
 - c. Form 1600-10 (Notice and Authorization Pertaining to Consumer Reports).
 2. The RIC or designee will review the credit reports and retained employee personnel records held by the failed institution.
- C. One year or more:
 1. Retained employees holding positions classified as “moderate” or “high” risk in accordance with DOA Directive 1610.2 must execute:
 - a. Confidentiality Agreement;
 - b. Form 1600-04 (Background Investigation Questionnaire); and,
 - c. Form 1600-10 (Notice and Authorization Pertaining to Consumer Reports).
 2. The RIC or designee will:
 - a. Notify DOA/Personnel Security that a long-term receivership field-site is expected;

Failed Financial Institution Closing Manual

- b. Assure all Forms 1600-04 (Background Investigation Questionnaire) and Forms 1600-10 (Notice and Authorization Pertaining to Consumer Reports) from retained institution employees are collected, assembled, and transmitted to DOA/Personnel Security.

Failed Financial Institution Closing Manual – Section 2

Closing Manager

Contents

This section contains the following information on Closing Manager:

Topic Title	
<u>Overview</u>	2-2
<u>Closing Task Checklist</u>	2-3
<u>Subsection: 2.1 - Pre-Closing Preparation</u>	2-4
<u>Subsection: 2.2 - Closing Activities</u>	2-6
<u>Section 2: Exhibits</u>	2-9

Overview

The Closing Manager (CM) is responsible for managing and coordinating all activities of the closing team during the resolution of an institution. In addition, he or she provides critical input to the RIC's Strategic Resolution Plan.

The CM is responsible for the timely re-opening of the institution (usually the next business day) and the payment of insured depositors. The CM is accountable for the cost and efficiency of the closing and the security of all onsite personnel and confidential records. In addition, the CM has responsibility for the following items:

1. Determining staffing levels, personnel selection, and designation of assignments.
 2. Coordinating the closing plans of the Legal Division, DOA, and DRR functional areas (e.g., Financial, Assets, and Capital Markets).
 3. Establishing appropriate lines of communication with and between all Closing Functional Teams, with the representatives of the Assuming Institution and with those employees of the failed institution who will assist with the closing.
 4. Determining the equipment, supplies, and services needed for the closing, and notifies DOA/CSB Facilities and BIS what to provide, with input from the Functional Managers.
 5. Organizing, delegating, and supervising closing personnel in all aspects of the closing.
-

Failed Financial Institution Closing Manual

Closing Task Checklist

Institution: _____ **FIN:** _____

Section 2: Closing Manager

Closing Task Checklist

Assigned To: _____

Sub section:	Completed:	Description:
2.1		Pre-Closing Preparation
2.2		Closing Activities

Sign-Off: _____ **Date:** _____

 Failed Financial Institution Closing Manual

Pre-Closing Preparation

Institution: _____ **FIN:** _____

Section 2: Closing Manager

Subsection 2.1: Pre-Closing Preparation

Assigned To: _____

Task:	Completed:	Description:
A		Establish communication between Franchise Marketing Specialist and the Functional Managers.
B		Coordinate and monitor the progress of pre-closing preparation by holding Functional Manager's meetings.
C		Review a copy of the Executive Summary and other relevant information posted in Intralinks.
D		Request SharePoint access for all Functional Managers and other essential team members using the prescribed access request procedures. (See Exhibit 2.A: Procedures for Requesting SharePoint Access)
E		Determine the type of business conducted at each location and develop strategies and assign responsibilities for business lines. Contract through Facilities for specialist assistance if needed.
F		Select a code name for the closing to be used when making hotel and meeting room reservations. Internal code names for the institution are selected by BIS.
G		Seek input from all functional areas and the RIC in preparing the organization chart.
H		Notify the DRR Regional Manager of the expected number of DSC members needed to augment DRR in the Closing Team Organization Chart by functional unit (i.e., Claims Team, Investigations, Proforma, etc.) Make every effort to give DSC two weeks notice on a non-emergency bank closing. Ensure that the request contains the skills required and the estimated duration of the detail.
I		If the failed institution holds Qualified Financial Contracts that will be transferred or repudiated, ensure that the Asset Manager consults with the RIC, Legal, and Capital Markets in the preparation of notification letters to counterparties.

 Failed Financial Institution Closing Manual

Task:	Completed:	Description:
J		Ensure lodging and meeting room arrangements have been made.
K		Prepare “closing packets” to be given to program areas and closing team members. Include Organizational Chart, phone, and FAX numbers list and FDIC Information Sheet.
		Assure all staff (including contractors) are informed of staging area locations(s) and how members will be notified of when they can enter the bank.
L		Ensure Functional Managers determine computer, printer and cell phone needs and coordinate their pick up with BIS.
M		Ensure the Financial Manager and Facilities are prepared to secure ATM’s and night deposit boxes if locations are not purchased or the Assuming Institution wants them closed.
N		Conduct a pre-closing meeting with the entire closing team on the day of the resolution.

Sign-Off: _____

Date: _____

 Failed Financial Institution Closing Manual

Closing Activities

Institution: _____ **FIN:** _____

Section 2: Closing Manager

Subsection 2.2: Closing Activities

Assigned To: _____

Task:	Completed:	Description:
A		Participate in the closing night meeting with the failed institution employees. Distribute information sheets and address any topics not covered by the RIC.
B		Ensure BIS or Financial Manager promptly secures the wire equipment or transfers it to the Assuming Institution.
C		If necessary, ensure a listing of FDIC personnel and instructions is provided to the switchboard operator.
D		Ensure that all failed institution employees have a Functional Manager to report to.
E		Verify the ATM machines have been deactivated and the servicer has locked out automatic payments and overdrafts, if applicable.
F		If required, verify that cash is counted under dual control, reconciled and receipted to the Assuming Institution. If the transaction is a Payoff, ensure that arrangements have been made to transport the cash and to deposit it into an account established in the name of the Receivership.
G		Establish work schedules or shifts and monitor hours worked and overtime allocated.
H		Collect Official Receipts as items are transferred to the Assuming Institution. (See Exhibit 2.B: Preparation of Official Receipts)
I		Monitor progress of the Proforma team to ensure availability of wire figure by the deadline. Verify that Corporate Funding has been notified of the wire amount and instructions.
J		Verify that account holds are in place prior to reopening. Review release procedures with the Asset, Investigations, Legal, and Claims Functional Managers.
K		Conduct daily Functional Managers' meetings to discuss status of closing, personnel requirements, and solutions to problems.

 Failed Financial Institution Closing Manual

Task:	Completed:	Description:
L		<p>Verify that the following letters are prepared and sent:</p> <ol style="list-style-type: none"> 1. Notification of account holds (First business day). 2. Safekeeping items (Payoff only). 3. Safe Deposit Boxes (Payoff only). 4. Notice to Creditors. 5. Notification to Borrowers. 6. Notification to loan participants. 7. Notification to SBA, FSA or other applicable government guarantee agencies. 8. Notification to appropriate Federal Reserve Office for collateral release and correspondent bank accounts if applicable. 9. Notice to all correspondent banks. 10. Loan and credit card servicers 11. Trustees of securitizations serviced or originated by failed bank. 12. Counterparties to transferred or repudiated QFCs (by noon of first business day).
M		Attend Employee Benefits Meeting for failed bank employees and assist with answering their questions where possible.
N		If necessary, conduct a meeting with RIC, Legal, Settlement, and Proforma to review the Agreement prior to meeting with the Assuming Institution. Review the Agreement tickler for timely accomplishment of tasks through the closing.
O		Attend the Settlement Meeting with the Assuming Institution.
P		Attend Proforma meeting with Assuming Institution. If necessary, arrange a Proforma meeting with the PCAM. Verify PCAM understands the details of the assets of the Receivership.
Q		Discuss FDIC's servicing requirements with the Financial Manager and BIS. If Assuming Institution is to process work, attend negotiations to ensure they have adequate safeguards, that the price charged is reasonable, that they can process on time, and that they will generate timely and accurate reports.
R		Ensure receipt of all Functional Manager exit memos and checklists and arrange and attend an exit meeting with the Receiver-in-Charge, if necessary. (See Exhibit 2.C: Exit Memorandum to the Closing Manager)
S		If necessary, review, and sign time and attendance sheets.

 Failed Financial Institution Closing Manual

Task:	Completed:	Description:
T		Verify that the Inventory Book Assets and Liabilities is being completed.
U		Prepare an exit memorandum to the RIC identifying any items not previously addressed. Attach this completed task list, referencing any unresolved issues and who is providing follow-up. Include experiences for Lessons Learned, if any, on the RIC/CM webpage.
V		Prepare a memorandum to the RIC, copy to the person's supervisor in the office, for any Manager under your supervision that demonstrated either outstanding or poor performance. If deserved, recommend an award.
W		Upon conclusion of the closing function, coordinate with the RIC, Post Closing Asset Management Team, Asset Marketing, Financial, and BIS for the transition of failed bank employees essential to post closing field site activities.
X		Review the listing of people who have SharePoint access and remove the non-essential people.
Y		Ensure that PII/SI is secured and encrypted at all times.
Z		Ensure PII/SI content on SharePoint, thumb drives, laptops, and e-mails is handled in compliance with FDIC Directives and Policy.
AA		Confirm closing team members have executed all assigned tasks and have properly disposed of PII/SI in their possession.
BB		Review completed tasks and confirm PII/SI compliance in accordance with FDIC Directives and Policy.

Sign-Off: _____

Date: _____

Section 2: Exhibits

List of Exhibits

Exhibit 2.A: Procedures for Requesting SharePoint Access

Exhibit 2.B: Preparation of Official Receipts

Exhibit 2.C: Exit Memorandum to the Closing Manager

Exhibit 2.A: Procedures for Requesting SharePoint Access

Open the “BIS SharePoint Request Form” located here:

<http://wasshr101p/prod/BCS/FDIC-Common/default.aspx>

Note: The form is easier to fill out if you change the view to “Print Layout” instead of “Reading Layout.”

Close the “Shared Workspace” menu box on the right side and fill out the form.

Fill out one form per site requested. Do not put multiple bank sites in the site name field.

Select which office is handling the bank closing.

Select the permission level needed:

Contribute = Read & Write/Create

Read Only = view documents

Select one of the four main types of sites:

Normal Bank,

Large Bank,

Global Bank Sites, or

Special Non-Bank site.

If requesting Bank site access, select any sub-libraries you also need to access.

Fill in the FULL NAME and NT ID of all the people needing access. You may place one or more names in this field.

Note: NT ID is important because there are several people with the same first and last names

Fill in name(s) of “Approvers” of your request with their full name and title.

Note: At 2-3 weeks prior to expected closing date, Large Banks get moved to Normal Bank status for approvals

- Open Large Banks can only be approved by Pamela Farwig, Ron Bieker, or Mitchell Glassman.
- Normal Bank requests require RIC, Closing Manager, Contractor OM or FDIC Management to approve access.
- Global Access to Normal Banks or Closed Banks Only requires one of the following approvers:

Failed Financial Institution Closing Manual

DRR: Director or any Deputy/Associate/Assistant Director
Legal: General Counsel or Deputy/Associate/Assistant General Counsel
Regional Counsel or Deputy Regional Counsel
Managing Counsel or Deputy Managing Counsel

Page 2 of the form contains the Point of Contact to use as “Approver” for the Special Non-Bank sites.

Send the form as an attachment in an email to one (or more) of the “Approvers.”

Within the form, select FILE - SEND TO - MAIL RECIPIENT (AS ATTACHMENT)

Note: Make sure to select the (As Attachment) or the checked-boxes do not appear on the recipient's email.

The “Approver” should FORWARD your email request to “BIS SharePoint Access” as their approval.

If an “Approver” does NOT approve, they can REPLY TO ALL with an explanation.

Individuals with only the following special exceptions may email their request directly to “BIS SharePoint Access”:

- FM Team Leads can self-approve their own requests. Please put your own name as the “Approver.”
- Claims can continue to use their Claims Managers as their “Approver” and copy them on the emailed request.
- The Strategic Operations Manager may approve anyone from the WCTSO
- The Assistant Director may approve anyone from the ECTSO

Someone on the “BIS SharePoint Access” team will process your request, and all requesters will receive a return mail with a link to the SharePoint site.

Exhibit 2.B: Preparation of Official Receipts

Each Branch Manager is responsible for preparing original official receipts, attaching supporting documentation and obtaining required signatures, if another Closing Team member is not present to perform the task. To the extent this duty is performed by others, it is important to obtain a copy of each receipt executed at your Branch for inclusion with your Exit Memo.

Cash:

Vault, ATM and teller cash totaling \$ _____, and held in separate cash funds as follows:

Vault Cash	\$	_____
ATM	\$	_____
Teller 1	\$	_____
Teller 2	\$	_____
Teller Total	\$	_____
Postage	\$	_____
Total	\$	_____

The detail of the cash held in each fund is contained on the attached tally sheets.

Unprocessed Cash Items:

(as listed) (collection items, returned checks, etc.)

Checks:

Unissued Official Checks beginning with check number _____ and ending with check number _____, for a total of _____ checks. (similar for food stamps, travelers' checks, etc.)

Combination and Alarms:

Envelopes containing combinations for entrance into vault, safes, or lockboxes located on the premises, and alarm instructions as prepared by the failed institution.

Keys:

Keys for entry into the office premises, collateral and safekeeping files, teller drawers, loan notes, etc. as itemized on the attached key inventory.

Failed Financial Institution Closing Manual

Loan Notes:

Loan notes totaling \$ _____ and balanced to the general ledger (as adjusted) as of _____ and listed on the attached loan trial balance for the same date, together with the related loan files and collateral documents. (Do a separate receipt for any negotiable collateral for these loans.)

Passbooks and Certificates of Deposit:

Passbooks/CD blank forms bearing the name of _____ beginning with number _____ and ending with number _____ for a total of _____ books/forms.

Safe Deposit Boxes:

A total of _____ safe deposit boxes rented and unrented as evidenced by the attached _____ page inventory listing the box number, box holder, rental fee, and paid to date.

Safekeeping:

Items held for safekeeping as described on the attached inventory list dated _____. Follow similar procedures to receipt over any other asset purchased in the P&A. Initial all pages.

Failed Financial Institution Closing Manual



Federal Deposit Insurance Corporation

1601 Bryan Street, Dallas TX 75201

Dallas Field Operations Branch

FIN #:

Branch Number:

Official Receipt

(Date)

Institution Name: _____

Institution Address: _____

_____ herewith acknowledges receipt of the following items:

By: _____

For the Assuming Institution

Title

By: _____

For the Federal Deposit Insurance Corporation

Exhibit 2.C: Exit Memorandum to the Closing Manager

Introduction:

An important procedure to be followed by each of the sections participating in a Closing is the preparation of the Exit Memorandum.

The Exit Memorandum is a succinct summary of information that is intended to identify for the reader an explanation of the work performed during the Closing and where applicable, items and issues requiring follow-up action.

These memoranda should provide a reference for the RIC as to issues requiring attention.

The following standard format is an example which can be used by each Functional Manager in preparation of the Exit Memorandum. The format has been standardized so that the user of the document can readily focus on specific information that may be of interest.

Date: _____

To: _____
Closing Manager

From: _____
Functional Manager

Subject: **Institution Number and Name**
Exit Memorandum of the Section

Failed Financial Institution Closing Manual

Section I: Overview

This section is intended to provide a general description of the work performed by the team during the Closing. If for whatever reason, tasks of a material nature identified in the Closing Manual for this department were not performed, this should be identified in this section.

Included in this section should be a list of the FDIC and Contractor (if applicable) personnel who participated in the Closing, their closing title, and brief description of the work performed by each of these individuals.

If applicable, meetings with the Assuming Institution should be described.

If the Functional Manager believes that the performance, either positive or negative, of the individuals participating in the Closing should be noted, this should be addressed in a separate memorandum to the Closing Manager.

Section II: Problems Encountered

Invariably, despite excellent pre-closing planning, problems will occur. This section is intended to assist future managers to either avoid the problems encountered or to take advantage of a particular solution that was used to resolve a problem. If there are no problems encountered that the Manager thinks are worth commenting upon, then this should be specifically stated. The format to be used includes:

- a. Describe the problem.
- b. If the problem was resolved, describe the procedures implemented.
- c. Recommendations to avoid a reoccurrence in future closings.

Section III: Follow-up Issues

This section is intended to identify issues or work that requires consideration subsequent to the Closing. The format that should be used includes:

- a. Identify the follow-up issue to be resolved or work to be performed.
- b. Identify the person to be assigned the work or notified of the issue.
- c. If applicable, project a date for resolving the issue or completing the work.

Upon completion of the checklists by each Functional Manager, the Exit Memorandum will be prepared. It is essential that the Exit Memorandum and checklists be first presented to the Closing Manager for review and concurrence. If necessary, a meeting will then be held between the RIC, the Closing Manager, and the Functional Manager to discuss the items presented in the Exit Memorandum, requiring the RIC's attention in the post closing period.

Failed Financial Institution Closing Manual - Section 3

Administrative Assistant

Contents

This section contains the following information on Administrative Assistant:

	Topic Title	
<u>Overview</u>		3-2
<u>Closing Task Checklist</u>		3-3
<u>Subsection: 3.1 - Pre-Closing Preparation</u>		3-4
<u>Subsection: 3.2 - Closing Activities</u>		3-6
<u>Subsection: 3.3 - Inventory Book of Assets and Liabilities</u>		3-8
<u>Section 3: Exhibits</u>		3-9

Overview

The Administrative Assistant is responsible for the preliminary preparations and the coordination of the closing function activities under the direction of the Receiver-in-Charge and Closing Manager. Some of the responsibilities include; preparation of the Organizational Chart, distributing closing information to team members, hotel reservations, clerical support, and completion of the Inventory Book of Assets and Liabilities.

The attached checklist is intended to be used as a guide. The Administrative Assistant should work closely with the RIC/CM. The Administrative Assistant should seek guidance and direction when questions or problems materialize.

 Failed Financial Institution Closing Manual

Closing Task Checklist

Institution: _____ **FIN:** _____

Section 3: Administrative Assistant

Closing Task Checklist

Assigned To: _____

Sub section:	Completed:	Description:
3.1	<input type="checkbox"/>	Pre-Closing Preparation
3.2	<input type="checkbox"/>	Closing Activities
3.3	<input type="checkbox"/>	Inventory Book of Assets and Liabilities

Sign-Off: _____ **Date:** _____

Return all completed and signed task lists to the Closing Manager.

Pre-Closing Preparation

Institution: _____ **FIN:** _____

Section 3: Administrative Assistant

Subsection 3.1: Pre-Closing Preparation

Assigned To: _____

Task: Completed:	Description:
A	At the request of the RIC/CM, notify the Executive Managers of all functional areas of the potential closing, and request they provide a manager and/or support personnel from their respective areas to be assigned to the closing team.
B	Prepare and update as needed a Draft Organizational Chart. Update their contact information. (See Exhibit 3.A: Sample Organizational Chart)
C	Post the Final Organizational Chart in the Failed Institution's SharePoint site under the RIC/CM folder.
D	Send a copy of the Final Organizational Chart to the Information Technology team in Washington so they extend the timeout requirements for access to FDIC systems.
E	If needed, prepare a box of supplies to be sent to the closing site. Depending upon the retail resources available at the closing location, additional supplies may be obtained later. (See Exhibit 3.B: Suggested Supply List)
F	Request a printer and a scanner for use at the hotel/institution.
G	Contact Customer Service to obtain Powers of Attorney for both the RIC and CM, if necessary.
H	Prepare the overtime memorandum for approval. It is suggested the memo cover a minimum of two pay periods. Do not distribute until it is appropriate for team members to claim overtime. (See Exhibit 3.C: Overtime Memo)
	For assistance with payroll coding for closings, refer to DRR's coding guidance website at: http://fdic01/division/drr/content/DRR/home/help_support/coding.html
I	Using a non-FDIC personal phone number (due to caller id), begin searching for hotel availability near the institution and check

 Failed Financial Institution Closing Manual

Task: Completed:**Description:**

airline schedules. Once the hotel is selected and if a contract is negotiated, email to Legal for review and then send to the CM for initials. The contract should then be presented to the RIC for final approval, if needed.

NOTE: The contract travel agency or DOA may be available to provide assistance locating a hotel. Ask for a 24 hour cancellation clause.

- J Prepare the closing email for distribution to the closing team members. Suggested items to include: Organizational Chart, map with directions to the institution/hotel (www.topozone.com, www.mapquest.com), Hotel Occupancy Tax Exempt Forms (See Exhibit 3.D: Hotel Occupancy Tax Exemption Certificate), DRR Bank Closing Instructions for completing T&A and Travel Vouchers, FDIC Personnel Closing Information Sheet (See Exhibit 3.E: FDIC Personnel Closing Information Sheet), the PII, Equipment, and Network Safety (See Exhibit 3.F: PII, Equipment, and Network Safety) If available, include a branch listing with locations. (See Exhibit 3.G: Sample Email to Closing Team)
- K As needed, arrange for closing meetings with the Functional Managers and/or the entire closing team. Make arrangements for conference call capabilities.
- L Place a recording on the closing team phone extension to relay instructions regarding failure of the institution or changes in travel plans.

To record a message, dial audix, ext. 2200. When asked for the extension, enter the appropriate team number extension. If you do not know the password, contact the Assistant Director, Strategic Operations. If outside the Dallas Field Office, call 972-761-2200 or 800-568-9161.

Sign-Off: _____ **Date:** _____

Return all completed and signed task lists to the Closing Manager.

Closing Activities

Institution: _____ **FIN:** _____

Section 3: Administrative Assistant

Subsection 3.2: Closing Activities

Assigned To: _____

Task: Completed:	Description:
A	If requested, send the closing notification email of the successful Appointment of FDIC as Receiver to the approved list of individuals as noted on the RIC/CM website. NOTE: This task may be performed by the Communications Manager at the RIC's discretion. Coordinate this task with the RIC/CM before entering the institution, along with the closing team.
B	Verify that the press release is posted on the institution's front door. If needed, fax a copy to branch locations for posting. (See Exhibit 3.H: Fax Cover Sheet)
C	Locate and destroy the FDIC Certificate of Insurance for the institution.
D	Depending upon the size of the institution or need, create a list of the closing team member's office numbers and phone extensions at the institution for the RIC/CM and team member's use.
E	File all incoming correspondence and documents in the RIC/CM and the Closing Manager's Folder.
F	At the request of the CM, arrange for daily manager's meetings.
G	Retain receipts for expenses on the procurement credit card and follow office procedures regarding processing payment.
H	Note the Release Date of each team member.
I	Collect exit memorandums and checklists from each Functional Manager.
J	Distribute an email to all team members and post to SharePoint to notify them that the Proforma meeting has been completed. This action indicates that all subsequent time should be charged to "post-failure."

 Failed Financial Institution Closing Manual

Task: Completed:	Description:
K	Place sensitive documents in the restricted Closing Manager's folder on SharePoint. Sensitive documents include exit memorandums.
L	Ensure that PII/SI is secured and encrypted at all times.
M	Ensure PII/SI content on SharePoint, thumb drives, laptops, and e-mails is handled in compliance with FDIC Directives and Policy.
N	Ensure PII/SI content on SharePoint, thumb drives, laptops, and e-mails is handled in compliance with FDIC Directives and Policy.
O	Review completed tasks and confirm PII/SI compliance in accordance with FDIC Directives and Policy.

Sign-Off: _____ **Date:** _____

Return all completed and signed task lists to the Closing Manager.

Failed Financial Institution Closing Manual

Subsection: Inventory Book of Assets and Liabilities

Institution: _____ **FIN:** _____

Section 3: Administrative Assistant

Subsection 3.3: Inventory Book of Assets and Liabilities

Assigned To: _____

Task: Completed:	Description:
A	Ensure the submission of documents is complete and compile the documents outlined in the Inventory Book Table of Contents (See Exhibit 3.I: Inventory Book of Assets and Liabilities)
B	If a listed item is not applicable to the closing, request the Functional Manager prepare an email stating nothing was found or it did not apply.
C	If any correspondence or reports are missing, contact the Functional Manager of each area as needed. If you do not receive the required documents within a reasonable time frame, contact the Closing Manager for assistance.
D	Submit the Inventory Book of Assets and Liabilities for approval to the Closing Manager.
E	Submit the completed Inventory Book of Assets and Liabilities to BIS within 60 days of the institution closing date.

Sign-Off: _____ **Date:** _____

Return all completed and signed task lists to the Closing Manager.

Section 3: Exhibits

List of Exhibits

Exhibit 3.A: Sample Organizational Chart - (Excel)

Exhibit 3.B: Suggested Supply List

Exhibit 3.C: Overtime Memo

Exhibit 3.D: Hotel Occupancy Tax Exemption Certificate

Exhibit 3.E: FDIC Personnel Closing Information Sheet

Exhibit 3.F: PII, Equipment, and Network Safety

Exhibit 3.G: Sample Email to Closing Team

Exhibit 3.H: Fax Cover Sheet

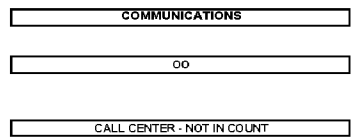
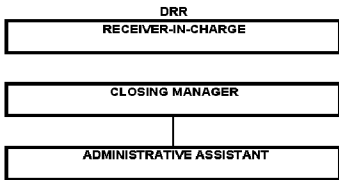
Exhibit 3.I: Inventory Book of Assets and Liabilities

Organization Chart

DRAFT

Date

INSTITUTION NAME: FIN:
 CITY, ST: Institution ID:
 INSTITUTION CODE NAME:
 CLOSING TEAM CODE NAME: OPA:
 CLOSING DATE/TIME: FDIC WEB:
 FM - Dallas:
 FM - Site:
 TOTAL ASSETS (MM): OM - RAC:
 TOTAL DEPOSITS (MM): OM - Payroll:
 DIG:
 CLOSING HOTLINE: ext:
 CONFERENCE NUMBER: code:



DRR ASSET MANAGER	DRR BRANCH COORDINATOR	DRR INVESTIGATOR IN CHARGE	DRR CLAIMS AGENT IN CHARGE	DRR ACCOUNTING MANAGER	DOA FACILITIES MANAGER	LEGAL LEAD CLOSING ATTORNEY	DRR IT MANAGER
-------------------	------------------------	----------------------------	----------------------------	------------------------	------------------------	-----------------------------	----------------

ASSET SUPPORT	BRANCH MANAGERS	INVESTIGATIONS SUPPORT	CLAIMS SUPPORT- ON SITE	PROFORMA MANAGER	SETTLEMENT AGENT	FACILITIES SUPPORT	PARALEGAL - SUPPORT	IT SPECIALIST
---------------	-----------------	------------------------	-------------------------	------------------	------------------	--------------------	---------------------	---------------

PROFORMA SUPPORT	TAX SPECIALIST
------------------	----------------

CLOSING ATTORNEYS (LIT, PLG, LSA, Trust, etc.)	IT SUPPORT
--	------------

ORE / FF&E

CLAIMS SUPPORT
RLS OFFICE - NT

INTERIM
SERVICING

LOAN
DOWNLOAD

SUBSIDIARIES

RECORDS
MANAGEMENT

DEPOSIT
DOWNLOAD

CAPITAL MARKETS

EMPLOYEE
BENEFITS

RLS IT

CONTRACTS & LEASES

PERSONNEL/
PAYROLL

FORENSICS IT

PCAM
Not In Count

DIT IT

NT - No Travel
NIC - Not in count

DIVISION	NUMBER OF STAFF	% of Total Count
DRR Dallas (D)		#DIV/0!
DRR Irvine (I)		#DIV/0!
DRR Jacksonville (J)		#DIV/0!
DRR Trainees (T)		#DIV/0!
DRR Washington (DC)		#DIV/0!
Total DRR	0	#DIV/0!
DOA		#DIV/0!
LEGAL		#DIV/0!
DSC (include CEP's)		#DIV/0!
OO		#DIV/0!
DIT		#DIV/0!
Other Divisions: DIR, DOF		#DIV/0!
Deloitte IT Contractors		#DIV/0!
RAC Contractors		#DIV/0!
Total Count	0	#DIV/0!

Exhibit 3.A: Sample Organizational Chart

Exhibit 3.B: Suggested Supply List

- Note pads
- File folders
- Expanding File Folders
- Post it notes
- Pens (Black, Blue, Red)
- Pencils/lead
- Highlighters
- Scissors
- Staple puller
- Stapler and Staples
- Tape
- White-out
- Sign-Here or Post-it Flags
- FDIC envelopes
- Large mailing envelopes
- Labels
- Paper clips
- Binder Clips
- Extension Cord/Power Bar /Surge Protectors
- Hole punch
- Tape recorder, if desired, for taking minutes
- Business Cards
- Portable printer
- Ream of paper (legal and letter)
- Ink cartridges/Toner

Exhibit 3.C: Overtime Memo



Federal Deposit Insurance Corporation
1601 Bryan Street, Dallas, TX 75201

Division of Resolutions and Receiverships

Overtime Memo

Date:

To: {NAME}
Associate Director/DRR
Dallas Field Operations Branch

From: {NAME}
Receiver-in-Charge

Subject: FIN # - INSTITUTION NAME
Overtime Request

It is the policy of the Dallas Field Operations Branch to authorize overtime for pre-closing and closing activities at the Closing Management's discretion. In accordance with this policy, overtime relative to XYZ Bank is authorized as follows:

Overtime hours worked specifically on the resolution of XYZ Bank for Pay Periods #X and #X.

This memorandum should be attached to the employee's timesheet.

APPROVED: _____
<<NAME>>
Associate Director/DRR
Dallas Field Operations Branch

Exhibit 3.D: Hotel Occupancy Tax Exemption Certificate

Name of guest		
Guest Address		
FDIC Federal Deposit Insurance Corporation Tax Exempt # 53-0185558		
Name of exempt organization		
1601 Bryan Street, Dallas, TX 75201		
Address of exempt organization (street and number, city, state, zip code)		
Governmental		
Organization exempt status (religious, charitable, educational, governmental)		
<p>GUEST CERTIFICATION:</p> <p style="padding-left: 40px;">I declare that I am on official business sanctioned by the exempt organization named above, and that all information shown on this document is true and correct.</p> <p>Sign Here</p>		
<table style="width: 100%; border: none;"> <tr> <td style="width: 70%; border: none;">Guest</td> <td style="width: 30%; border: none;">Date</td> </tr> </table>	Guest	Date
Guest	Date	

For Hotel/Motel use only

Name of hotel / motel

Address of hotel / motel (street and number, city, state, zip code)

Method of payment (cash, personal check or credit card, organization check or credit card, direct billing, other)

NOTE: This certificate should be furnished to the Hotel or Motel. **DO NOT** send the completed certificate to the Comptroller of Public Accounts. This certificate does not require a number to be valid.

Exhibit 3.E: FDIC Personnel Closing Information Sheet

FDIC Personnel Closing Information Sheet

- Your FDIC badge should be worn at all times while in the institution.
- Calls or representatives from the media should be referred to the Office of the Ombudsman, RIC, or CM.
- Be courteous to the institution employees.
- The RIC/CM are the only people that may speak to institution employees about possible future employment.
- Ensure the institution employees have processed all of their work. If an item is processed weekly or monthly it must be completed at the time of closing.
- Refer any questions regarding your assignments to your Functional Manager. Do not hesitate to ask questions.
- Once you have completed your assignment, report to your Functional Manager and/or Closing Manger for additional assignments.
- Your Functional Manager, with the approval of the CM, will release FDIC employees from the closing.
- Work hours will be designated by the CM.
- Make sure your overtime is approved by your Functional Manager before you leave.
- Stagger lunch breaks so there is adequate coverage in each area at all times.
- Keep personal phone calls to a minimum.
- Do not eat the food which the institution provides for its customers.
- All requests for hardware should be forwarded to “BIS Hardware Support.”
- All information pertaining to the branches should go to the Branch Manager.
- The closing function is priority; no liquidation functions will be done until the closing procedures are completed.

Exhibit 3.F: PII, Equipment, and Network Safety

Protect Information → Protect Equipment → Protect the Network Plan Ahead to be Safe

Protect Information

- Ensure that FDIC or contractor staff is given the appropriate access to FDIC or DRR information systems, and that access is removed promptly when no longer needed.
- Contractors who have not used the network for more than 14 days are automatically disabled after a two-day warning. These warnings are sent to contract oversight managers each Monday.
- Make sure that only authorized staff has access to shared drives, SharePoint, or Outlook distribution lists
- Use encryption with thumb drives or other portable media when sensitive information is transported.
- Properly dispose of sensitive information when it is no longer needed.

Protect Equipment

- Use only FDIC-owned laptops at any remote work location
- Don't leave equipment in your vehicle
- Use cable locks
- If you haven't used your laptop to log in for more than two weeks, log in to receive all security patches and anti-virus updates
- DRR's most frequent security incident is a lost token. DRR also uses more than 1,000 BlackBerry devices. Keep them both in a safe place.

Protect the Network

- Use FDIC-supplied encryption (Entrust) to send sensitive information to another FDIC network user
- Use WinZip to encrypt sensitive information to users outside the FDIC network
- Do not use personally owned laptops at bank closings
- Do not attach your FDIC laptop to a bank network.

When a theft or loss occurs, call 1-877-334-2999 immediately to report it to the FDIC incident response center. Advise your team lead or supervisor right away.

If you have questions or need assistance, call DRR Information Security on 703-254-0255 (main number), DRR Information Security Manager on 703-562-2011 (office) or 571-294-1339 (mobile.)

Exhibit 3.G: Sample Email to Closing Team

(Tailor to fit your closing situation)

To: All Closing Team Members

Cc: (consider Oversight Manager's, Supervisor's for PCAM, OO, DOA, Legal, Call Center, and others that might need the information)

Subject: [Code Name] Informational Email

Managers – Ensure your team members have the following information:

Please be advised you have been selected to participate at a closing located in [City, ST]. The bank code name is [Bank Code Name].

[Insert attachment that includes addresses, hours and other useful information for all locations.]

[RIC's Name] will be the Receiver-In-Charge and [CM's Name] will be the Closing Manager. The closing team name will be [Closing Team Code Name]. As always, please **remember the need for confidentiality. Do not discuss the institution outside of the office or the meeting room at the hotel!** Attached are the DRAFT Organization Chart and the FDIC Personnel Information Sheet.

[Insert Draft Org. Chart]

[Insert FDIC Personnel Info Sheet]

[Insert PII, Equipment, and Network Safety]

The closing is scheduled to occur [Day, Date]. The travel date is [Day, Date]. You may make your reservations by calling SATO, 877-856-1191. A closing team meeting is scheduled at the [Name, Address, Meeting Room if known] on [Day, Date] so please plan accordingly. Key Functional Managers requested to meet with the Assuming Institution should plan to attend a meeting tentatively scheduled for [Day, Date, and Time] to discuss the transaction, prior to meeting with the AI at [Time].

[Add any other useful information. Example: The [Meeting Location] is new and may not yet be listed on GPS systems. You may also use the intersection of [insert intersections].]

Maps

Bank Locations and Branches

[Insert Link to Google Maps, or other mapping site]

Airport to [Meeting Location] is shown as [xx] miles or [xx] minutes

[Insert Link to Google Maps, or other mapping site]

Failed Financial Institution Closing Manual

[Meeting Location] to the [Institution] is [xx] miles or [xx] minutes
[Insert Link to Google Maps, or other mapping site]

Airlines

The contract carrier from [office] to [closest airport] is [airline]. Discounted fare when available is \$[amount] RT, or full government fare of \$[amount] RT.

Departure – [Day, Date]

[Insert best flight times for the majority of team members]

[Insert alternate airports, airlines, or travel options, based on your needs]

Hotels

A determination was made to designate one hotel for the meeting and allow team members to make their lodging reservations according to their rental car arrangements at a hotel of your choice [or] A contract lodging arrangements has been made at [insert Hotel Name, Address]. The rooms are guaranteed so please review the attached rooming list and keep me informed of any cancellations.

IMPORTANT - Remember the need for confidentiality. The code name for this closing is [Closing Team Code Name]. This should be the name used at hotels when making reservations. When calling the hotel, use a cell phone or private line so FDIC is not displayed on the Caller ID. Also, use your home address and personal email address when making reservations opposed to FDIC addresses. If FDIC appears on your travel card, use a personal card and switch to your FDIC travel card after the bank has closed.

Suggested Hotels

[Insert links for several hotel options; Hilton, Marriott, etc in the area. Include any special arrangements you might have made if meeting space was negotiated at one of the hotels; blocked rooms, free breakfast, etc. and instructions for them to follow if needed for them to obtain. Example: The hotel has agreed to include one free breakfast per room, but you must tell them you are with [Closing Team Code Name] when making the reservation. Please keep this in mind if you use SATO for lodging arrangements, you will not receive the benefits we have negotiated in the hotel contract unless this is specified. A limited number of rooms have been blocked until [Date].]

Keep me informed if you have difficulty obtaining the allowable rate in accordance with travel regulations. Remember do not wear or have visible any FDIC monogrammed items until after the institution has closed. Attached is the Hotel Tax Exempt form which may **NOT** be presented until after the bank has officially closed. [Insert Tax Exempt Form]

Per Diem

Failed Financial Institution Closing Manual

The lodging rate allowance in [County Name] County is \$[amount]. The daily PD for incidentals is \$[amount]. The location of the bank establishes the per diem rate you are entitled to claim, not the hotel. If you travel between multiple temporary duty assignments in the same day, "the per diem rate in effect for the last official assignment point for the day determines the rate".

<http://fdic01.prod.fdic.gov/division/dof/travel/regulartravel/index.html>

Rental Cars

There should be 2-3 people in each car. Keep your Functional Manager informed of your arrangements, or ask if your manager if you need assistance locating a ride. [Insert additional as needed. Example; It appears Parking will be limited at the institution and transportation to and from the bank will need to be coordinated. Those staying at the [Hotel Name] should consider utilizing the hotel shuttle to and from the airport to limit the number of rent cars.]

Payroll

Each of you will be responsible for completing your T&A's while at the closing. You will need to take your token with you to be able to access the system. Each Functional Manager will be responsible for keeping track of their team's overtime. Once you have completed your T&A, you should then send an e-mail to your Official Supervisor telling them that your Functional Manager has approved "x" number of overtime hours. You should copy the Functional Manager, RIC, and CM on your e-mail. If the Functional Manager has an issue with the number of hours you claim, they should immediately contact your Official Supervisor to clarify the number of overtime hours. An approved overtime memo will be added to SharePoint. Coding information will be provided when available.

 Failed Financial Institution Closing Manual

DIT Procedures for Borrowing Cell Phones/ Cellular Modems/ Laptops/ Scanners – (updated as of November 16, 2009)

Please check with your Functional Manager to coordinate your area's need for a **cell phone/ cell modem, laptop or scanner**. Requests should go through your Functional Manager for approval. If the Functional Manager deems necessary DIT Dallas can provide employees who do not already have a **laptop with a temporary laptop, scanner or cellular modem card** by filling out the FDIC DIT Equipment Lending Agreement Form located at: <http://wasshr101p/prod/BCS/FDIC-Common/default.aspx> Fill out the form in MSWord, then print it out and obtain your proper authorization signature at the bottom from the Functional Manager you report to for the closing, not your normal work place supervisor. Then take the form to a DIT Closing Pool representative on the 35th floor of Energy Plaza in Dallas. The Closing Pool representative will either process your request immediately if the item requested is available, or schedule a pick-up time with you. **Laptops** require approximately 15-20 minutes of your time to log in and verify that e-mail and all applications you require are working properly. **Scanners and cell modems** can be picked up within a few minutes if they are available.

Note 1: You must visit the Closing Pool team on the 35th floor of Energy Plaza in Dallas in order to pick up your **laptop**. If you are located outside the Dallas Regional Office, please contact the DIT Closing Pool team via e-mail (DITClosingPool@fdic.gov) and they will follow-up with you to get you the equipment that you need once you have approval from your closing Functional Manager. The only exception to this procedure is that approved **cell modems** for Irvine and Jacksonville employees are provided by local DIT from cell modem pools managed at those locations. (Except for Legal who should check with their local management regarding cell modems where required.)

Note 2: Contractor Oversight Managers must fill out a form for all Contractors requiring a **laptop** on an individual basis. Closing functions will be handled slightly differently in a bulk-request format for several 'generic' Contractor laptops. This is due to most closing contractor names being unavailable by the time DOA requires shipment of the laptops to the closing site. DIT has bulk shipment crates specially made for the contractor laptops, so they will not require carrying bags.

Note 3: If you need a **cellular phone**, you will have to use the DIT Cellular phone request form located at: <http://fdic01/division/DIT/Products/MobileComputing/CellularModems/index.html>
 . Local DIT does not have a pool of cellular phones and any requests will be fulfilled by DC.

Note 4: **Printers** are handled at the closing by DOA. DOA will rent the appropriate number of printers for use during the closing.

Personal Identifiable Information (PII)

This is to remind you that if you are going to put PII data on a flash drive (USB Device), it **MUST** be encrypted. Please make sure that your flash drive is encrypted prior to going out on the closing. All data that is on your laptop is already encrypted and is safe. Please follow established office procedures to encrypt information when sending e-mails and documents.

Failed Financial Institution Closing Manual

More information can be found on the Division of Administration (DOA) and Division of Information Technology (DIT) websites. Also remember to safeguard hardcopies and dispose of properly. [Directive 1360.9: Protecting Sensitive Information \(Word\)](#) [Roxio Easy Media Creator User Guide \(Word\)](#) [Pointsec Protector User Guide: Encrypting USB Devices \(PDF\)](#)

Supplies

If you have boxes that need to be shipped to the closing site, you must follow the attached global directive when completing your labels for the boxes. Once you have followed the directive, you should e-mail the Help Desk Facilities to have your boxes picked up for shipping. They will need to know how many boxes and where they are located. **Do not put FDIC on the box.**



Interim Express Mail
Services ...

Closing Team Telephone Hotline

Check the recorded message for updates regarding the failure of the institution; particularly for last minute changes to travel plans prior to boarding the plane. Within the [office], call ext. [insert extension]. If calling from outside the [office], dial [local number or 800 number] ext. [extension number].

Time Zone for Bank

[insert main location time zone] - please note if I send an invitation to you to accept or decline a meeting and you have not changed your clock, the appointment will be added to your calendar for the time zone you have set. Please make note of the time in the body of the email. If you wish to change your clock, right click on the clock in the lower right hand corner and click on "Time Zone" and use the drop down menu.

Dress Code

Friday will be business professional for the initial group entering the institution (RIC/CM/Branch Managers) and business casual for those entering after the acceptance. Dress during the week will be business casual and Saturday and Sunday will be casual (jeans). If the Assuming Institution elects to open Saturday, the dress code will change to business casual.

Work Schedule

The work schedule will be established by the RIC and CM.

Remember to take your Badge, Token, Flash Drive, and Air Card. Extra flash drives are not provided at the closing site.

[Admin Name and contact number]

Exhibit 3.H: Fax Cover Sheet



Federal Deposit Insurance Corporation

1601 Bryan Street, Dallas TX 75201

Dallas Field Operations Branch

Fax Cover Sheet

To: _____ Date: _____

Fax Number: _____ Pages: _____ W/Cover Sheet

From: _____ Phone Number: _____

Comments:

Exhibit 3.I: Inventory Book of Assets and Liabilities

Inventory Book of Assets and Liabilities

The Inventory Book of Assets and Liabilities (commonly known as the Closing Book) is the official record of the receivership and provides a compilation of financial information and other important data pertaining to the institution as of the date of the closing. The collection of this data provides an important historical reference to of the institution.

The Functional Managers are responsible for submitting the information, formatted for viewing and printing, in .pdf format and uploading to the institution's SharePoint site in the designated folders. Items may not be embedded within other documents as they become inaccessible. It is suggested that each Functional Manager request Adobe Professional software to assist them in converting documents to the appropriate format if needed. If an item is not applicable to the closing, a negative memo stating such is required for each item. Additional items, unique to a particular institution and deemed appropriate for inclusion by the Closing Manager, may also be required. The documentation provided should match the item subject and description below and be uploaded upon completion of each task. The Closing Book designee should be kept informed of any changes or updates to the information after initial loading. The Functional Manager will not be released from the closing until all required documentation has been uploaded and verified as complete. The only exceptions are items which could not be finalized until post-closing due to unique circumstances.

The Closing Book designee will verify all documents are uploaded by the Functional Manager prior to the manager's departure. Any discrepancies should be brought to the Closing Manager's attention. The designee will place the documentation in the appropriate template for final submission, with the Closing Manager's approval, within 60 days of the institution closing date.

Following is a listing of the required items to be included in the Closing Book, a description of each item, and the contact responsible for providing the information.

 Failed Financial Institution Closing Manual

	Item	Description	Source
1.	Legal Documents	Official legal documents; e.g., Notice of Appointment and Acceptance of Receiver, Bid Package, Purchase and Assumption Agreement, Loan Sale Agreement, etc.	Legal
2.1.	Failed Institutions Statement of Financial Condition	Final General Ledger, Final System Trial Balance, or Final Balance Sheet	Proforma
2.2.	Proforma Statement of Condition	Final reconciled or confirmed account balance by Proforma Account Number	Proforma
2.3.	Proforma Statement for Assuming Institution	List of account balances transferred to the Assuming Institution	Proforma
2.4.	Proforma Statement for FDIC	List of account balances transferred to FDIC as Receiver	Proforma
2.5.	Proforma Worksheet by Proforma Number	List of confirmed account balances transferred to FDIC as Receiver and to Assuming Institution	Proforma
2.6.	Proforma Adjustments by Jacket Number	Adjustments to Jackets sorted by Jacket Number	Proforma
2.7.	Proforma Adjustments by Jacket Number in Journal Entry Format	Adjustments to Jackets sorted by Jacket Number in Journal Entry Format	Proforma
2.8.	Cash Basis Adjustments to Statement of Condition	Final reconciled or confirmed cash basis account balance	Proforma
2.9.	Cash Basis Statement for FDIC	Cash Basis account balances transferred to FDIC as Receiver	Proforma
2.10.	Cash Basis Worksheet by Proforma Account	Confirmed cash basis G/L accounts and balance to FDIC as Receiver	Proforma

 Failed Financial Institution Closing Manual

	Item	Description	Source
2.11.	Cash Basis Adjustments by Jacket Number	Total adjustments to Jackets by Jacket Number	Proforma
2.12.	Cash Basis Adjustments in Journal Entry Format	Total Adjustments to Jackets by Jacket Number in Journal Entry Format	Proforma
3.1.	Institution Premises	Addresses of each location (Institution Letterhead)	Assets
3.2.	Securities Inventory	Funds pledged by the institution	Assets
3.3.	Fed Funds Sold	Excess institution funds placed in overnight investments	Assets
3.4.	Combined Loan Trial Balance	Combined Loan Trial Balance - include all loan types and all locations	Assets
3.5.	Loans Sold to other Institutions	List of loans, balances, and pertinent data	Assets
3.6.	Overdrafts	Listing of Overdrafts	Assets
3.7.	Subsidiaries	Listing of Subsidiaries	Assets
3.8.	Loans Assumed by FDIC	Listing of the loans retained by FDIC	Assets
3.9.	Unfunded Commitments retained by the FDIC	Listing of Unfunded Commitments	Assets
3.10.	Charged-off Loans	Loans that were charged off by the institution	Assets
3.11.	Owned Real Estate	Report of the real properties owned by the institution	Assets
3.12.	Letters of Credit	LOC's issued by the institution	Assets
3.13.	Schedule of Repossessed Collateral	Repossessions on the books of the institution	Assets
3.14.	Other Assets, Institution Owned Vehicles, and Prepays	Property and prepaid expenses of the institution	Assets
3.15.	Schedule of All Prepaid Insurance	Insurance policies held by the institution	Assets

 Failed Financial Institution Closing Manual

	Item	Description	Source
3.16.	Possessory Collateral and Safekeeping Inventory	Printout of the items held by the institution for collateral and safekeeping	Assets
3.17.	Participated Loans	Participations bought and sold	Assets
3.18.	Borrowers First Notification Letter	Initial letter to debtors of the institution	Assets
3.19.	Schedule of Contracts and Leases	Agreements and contracts entered into by the institution for services	Settlement, Legal, Assets/Repudiations
4.	Safe Deposit Boxes	Listing of safe deposits boxes, if not transferred to acquiring institution	Facilities
5.1.	Stockholders List	List of names excluding SSN	Investigations
5.2.	Directors and Officers	List of Directors and Officers names excluding SSN	Investigations
6.1	Employee Listing	Institution Employee names excluding SSN	Employee Benefits or Personnel/Payroll
7.1.	Claims Notice to Depositors and Creditors	Letter to Depositors and Creditors	Claims
7.2	Publication Notice	Notice of newspaper publication	Claims
7.3.	Deposit Liability Register	Listing of all Depositor Accounts; DDA, IRA, etc. excluding SSN	Claims
7.4.	OFAC Reports	Printout from OFAC System for deposit and loan accounts	Claims
7.5	Account Holds	Combined listing of All Account Holds	Claims
8.1.	Press Release	Press Release and pertinent media articles	Communications /Ombudsman

Failed Financial Institution Closing Manual - Section 4

Facilities Manager

Contents

This section contains the following information on Facilities Manager:

	Topic Title	
<u>Overview</u>		4-2
<u>Closing Task Checklist</u>		4-3
<u>Subsection: 4.1 - Pre-Closing Preparation</u>		4-4
<u>Subsection: 4.2 – Closing Activities</u>		4-5
<u>Subsection: 4.3 - Security Arrangements</u>		4-6
<u>Subsection: 4.4 - FDIC Related Notifications/Postings</u>		4-7
<u>Subsection: 4.5 - Update all Inventories</u>		4-8
<u>Subsection: 4.6 - Secure all Negotiable Items</u>		4-9
<u>Subsection: 4.7 - Exit Memorandum and Checklist to the Closing Manager</u>		4-10
<u>Section 4: Exhibits</u>		4-11

Overview

The Facilities Manager will coordinate all facilities functions. The Facilities Manager provides for the continuous operational needs of the Closing Team and the existing institution employees.

Services provided include, but are not limited to:

- Arranging and maintaining work stations for all employees,
- Providing office supplies,
- Providing meal service for first night of closing, if appropriate,
- Arranging for delivery of copiers, printers, and other equipment,
- Locating and providing support for additional work space for closing team if needed and after receiving Legal and Receiver-in-Charge concurrence and approval, and
- Locating and providing support for claim centers, if needed.

The Facilities Manager is responsible for securing the property and premises of the institution. This includes all un-issued items, vaults, and off-site storage facilities. As part of the securing process facilities personnel will ensure items such as vault contents, branch contents, and gift and other premium items are inventoried under a dual control process. After inventory, the Facilities Manager will determine the disposition of these items in conjunction with the Closing Manager and Assuming Institution. The results of such inventories are provided to the Closing Manager as part of the Exit Memorandum. The Facilities Manager will receipt certain items to the Assuming Institution using the official receipt form. (See Exhibit 2.B: Preparation of Official Receipts)

The Facilities Manager arranges for placement of security staff at each failed institution. Prior to an institution closing, the Facilities Manager will arrange for Security Guards to be in place at the time of closing. Additionally, the Facilities Manager is the appointed Oversight Manager (OM) for the security contract and provides direction to the security guards during the closing process. One of the primary duties of the Facilities Manager/OM is the responsibility of securing the vaults and institution premises until such time as the Assuming Institution takes control or the facility is returned to the property owner/manager.

 Failed Financial Institution Closing Manual

Closing Task Checklist

Institution: _____ **FIN:** _____

Section 4: Facilities Manager

Closing Task Checklist

Assigned To: _____

Sub section:	Completed:	Description:
4.1		Pre-Closing Preparation
4.2		Closing Activities
4.3		Security Arrangements
4.4		FDIC Related Notifications/Postings
4.5		Update all Inventories
4.6		Secure all Negotiable Items
4.7		Exit Memorandum and Checklist to the Closing Manager

Sign-Off: _____ **Date:** _____

Return all completed and signed task lists to the Closing Manager.

Pre-Closing Preparation

Institution: _____ **FIN:** _____

Section 4: Facilities Manager

Subsection 4.1: Pre-Closing Preparation

Assigned To: _____

Task:	Completed:	Description:
A		Review the information package and attend all pre-closing meetings to determine the number of supplies, copiers, printers, and security officers needed to facilitate a smooth institution closing.
B		Ensure that contracts with the appropriate vendors for supplies, copiers, printers, and security officers are in place the night of the closing.
C		Determine if existing facility has the capacity to house existing closing team. Obtain additional work space or space for claims centers if necessary.
D		Meet with contracted Security Guard firm and provide Security Guard handout (See Exhibit 4.A: Security Guard Handout) and determine locations and assignments.
E		Develop the appropriate section of the Strategic Resolution Plan and provide to the Receiver-in-Charge.

Sign-Off: _____ **Date:** _____

Return all completed and signed task lists to the Closing Manager.

Failed Financial Institution Closing Manual

Closing Activities

Institution: _____ **FIN:** _____

Section 4: Facilities Manager

Subsection 4.2: Closing Activities

Assigned To: _____

Task:	Completed:	Description:
A		Ensure that PII/SI is secured and encrypted at all times.
B		Ensure PII/SI content on SharePoint, thumb drives, laptops, and e-mails is handled in compliance with FDIC Directives and Policy.
C		Confirm closing team members have executed all assigned tasks and have properly disposed of PII/SI in their possession.
D		Review completed tasks and confirm PII/SI compliance in accordance with FDIC Directives and Policy.

Sign-Off: _____ **Date:** _____

Return all completed and signed task lists to the Closing Manager.

Failed Financial Institution Closing Manual

Security Arrangements

Institution: _____ **FIN:** _____

Section 4: Facilities Manager

Subsection 4.3: Security Arrangements

Assigned To: _____

Task: Completed:

Description:

- | | |
|---|---|
| A | Ensure all perimeter branch doors are secured. Designate one entrance to the institution. Assign a security officer to this entrance and furnish them with Institution Personnel sign in/out sheets (See Exhibit 11.A: Sign In/Sign Out Sheet for Institution Employees) |
| B | Designate a Security Officer to be stationed at the entrance to the money vault and note file room or vault with a sign in/out sheet for all personnel entering and exiting these areas. The sign in/out sheets need to include which files were taken and returned. (See Exhibit 4.B: Vault Sign In/Sign Out) Coordinate this task with the Closing Manager. |
| C | Make a determination with the Closing Manager and Assuming Institution to re-key the facility at the expense of the Assuming Institution (exception: interior doors for Forensic, Investigations.) |

Sign-Off: _____ **Date:** _____

Return all completed and signed task lists to the Closing Manager.

 Failed Financial Institution Closing Manual

FDIC Related Notifications/Postings

Institution: _____ **FIN:** _____

Section 4: Facilities Manager
Subsection 4.4: FDIC Related Notifications/Postings
Assigned To: _____

Task: Completed:
Description:

- | | |
|---|--|
| A | Post appropriate FDIC advisory signs at all customer entrances, drive-up windows and any ATMs. These notices may be obtained from the Receiver-in-Charge and/or FDIC Legal. |
| | Note: The FDIC Branch Manager may take on this task. |
| B | If requested by the Assuming Institution, notify the Post Office of the disposition of the bank and change of addresses for the mail. |
| C | Notify all Credit Card companies providing credit to the institution's executives and/or employees of the disposition of the institution. All services must be terminated with a cutoff statement obtained as of the date of bank closing. All credit cards must be secured or destroyed, per instructions of the Receiver-in-Charge and the Assuming Institution. |

Sign-Off: _____ **Date:** _____

 Return all completed and signed task lists to the Closing Manager.

Failed Financial Institution Closing Manual

Update all Inventories

Institution: _____ **FIN:** _____

Section 4: Facilities Manager

Subsection 4.5: Update all Inventories

Assigned To: _____

Task: Completed:	Description:
A	Collect important keys and identify with a numbered key system, (e.g. main building, all branch buildings, storage facilities, loan and collateral area). Receipt these items when transferred to the Assuming Institution or the appropriate Functional Manager, per instructions of the RIC and the Assuming Institution. (See Exhibit 4.C: Keys, Combinations, and Alarm Instructions)
B	Obtain vault combinations and alarm instructions for control until receipted to the Assuming Institution or RIC. Coordinate with RIC to allow closing team access to the vault area during the weekend. (See Exhibit 4.C: Keys, Combinations, and Alarm Instructions)
C	Inventory all gifts and premiums and determine appropriate disposition methods. Separate and retain any premiums with intrinsic value and receipt to the Asset Manager.
D	Secure any firearms and alcohol found on the premises and advise the Receiver-in-Charge on the method of disposal.
E	Identify, secure, and inventory all bank owned laptops, cell phones, and PDA's for disposition as predetermined in the pre-closing meeting with the RIC and Assuming Institution. Receipt over to the appropriate Functional Manager or Assuming Institution.

Sign-Off: _____ **Date:** _____

Return all completed and signed task lists to the Closing Manager.

Failed Financial Institution Closing Manual

Secure all Negotiable Items

Institution: _____ **FIN:** _____

Section 4: Facilities Manager

Subsection 4.6: Secure all Negotiable Items

Assigned To: _____

Task: Completed:

Description:

- | | |
|---|---|
| A | Locate, inventory, secure, and if necessary arrange for destruction of all un-issued "Official" items under dual control to include, but not limited to the following items: <ol style="list-style-type: none"> 1. Cashiers Checks 2. Expense Checks 3. Travelers Checks 4. Savings Bonds 5. Money Orders 6. Certificates of Deposit 7. All institution counter checks 8. Starter Kits and Gift Checks 9. Gift Cards <p>NOTE: Instruments issued by third parties and sold by the institution need to be processed as instructed by those third parties. (i.e., travelers checks if not assumed by the Assuming Institution.)</p> |
| B | Locate and inventory all institution owned safe deposit boxes, vaults, and other cabinets. Receipt all items to the Assuming Institution. If Possessory Collateral is discovered, contact the Asset Manager for disposition. |
| C | Immediately read postage meter and total of unused postage. Ensure the stamps and remaining postage meter balance is receipted to the Assuming Institution. Prepare memo to Proforma. |
| D | Per instructions from the RIC, locate, secure, and destroy all medallion stamps and corporate seals, bearing the institution's name. If any of these items are needed by the Assuming Institution, an official receipt must be prepared. Notify and inform the appropriate company of destruction of medallion stamps. (See Exhibit 4.D: Medallion Stamp Certificate of Destruction) |

Sign-Off: _____ **Date:** _____

Return all completed and signed task lists to the Closing Manager.

Exit Memorandum and Checklist to the Closing Manager

Institution: _____ **FIN:** _____

Section 4: Facilities Manager

Subsection 4.7: Exit Memorandum and Checklist to the Closing Manager

Assigned To: _____

Task: Completed:

Description:

- | | |
|---|---|
| A | Ensure that all checklists and noted exhibits are submitted. |
| B | Prepare an Exit Memorandum to the Closing Manager in accordance to Exhibit 2.C: Exit Memorandum to the Closing Manager. Include the following: <ol style="list-style-type: none"> 1. Closing assignment 2. Description of tasks performed 3. Unresolved issues 4. Suggestions or problems encountered 5. General comments (if any) |

Sign-Off: _____ **Date:** _____

Return all completed and signed task lists to the Closing Manager.

Section 4: Exhibits

List of Exhibits

Exhibit 2.B: Preparation of Official Receipt

Exhibit 2.C: Exit Memorandum to the Closing Manager

Exhibit 4.A: Security Guard Handout

Exhibit 4.B: Vault Sign In/Sign Out

Exhibit 4.C: Keys, Combinations, and Alarm Instructions

Exhibit 4.D: Medallion Stamp Certificate of Destruction

Exhibit 4.A: Security Guard Handout

Entrance to Institution Building

- _____ Identification is required of any individual not readily identified as FDIC, contractors or failed institution employees working for the FDIC.
- _____ Ensure all individuals sign in/out each time they leave/return the institution premises.
- _____ Inspect any large parcels, boxes, or suspicious items leaving the premises.
- _____ Refer any questionable items being removed from the building that are not clearly personal in nature to the Closing Manager, the Receiver-in-Charge, or the Facilities Manager.
- _____ All individuals not identified as FDIC or failed institution employees working for FDIC will be denied entrance to the building until cleared by the Facilities Manager.

Vault Security

- _____ Failed institution employees are not permitted in the vault without being accompanied by an FDIC employee.
- _____ All individuals must sign in and out of the vault.
- _____ Any item removed from or taken into the vault must be signed in and out.

Other Requirements

- _____ Security personnel are made aware of how to contact FDIC personnel in case of an emergency after hours.
- _____ After hours, no one is permitted into the institution unless accompanied or authorized by an FDIC employee.
- _____ Ensure that the premises' key is given to the next guard on duty.

Reviewed By Security Officer:

Reviewed By Facilities Manager:

Exhibit 4.B: Vault Sign In/Sign Out

Vault Sign In/Sign Out

Name	In	Out	Items Removed
-------------	-----------	------------	----------------------

Exhibit 4.C: Keys, Combinations, and Alarm Instructions

A. Keys

Instruct the employees to identify their keys and place in a sealed envelope. Collect important keys and identify with a numbered key system, (e.g. main building, all branch buildings, storage facilities, loan and collateral area). Receipt these items when transferred to the Assuming Institution or the appropriate Functional Manager, per instructions of the RIC and the Assuming Institution.

B. Combinations

Obtain all combinations (1st half or 2nd half) from failed institution personnel and place them in a sealed envelope with the following information listed on the envelope (institution name, institution number, branch location, person obtained from and location of the vault). Keep the combinations in a secure location until they can be receipted to the Assuming Institution or Receiver-in-Charge. In the event of a Payoff, receipt combinations over to the ORE Specialist.

C. Alarm Instructions

Obtain the alarm instructions, alarm code, and/or the alarm key from the failed institution's security officer. Place the instructions and key/code in a sealed envelope with the following information listed on the envelope: institution name, institution number, branch location, person obtained from or institution's security officer, alarm company name, contact person, phone number, and the responding agency.

Determine whether unauthorized personnel can impair the integrity of the system.

If the system is monitored by a local law enforcement agency, the agency is to be notified immediately of the institution's closing. Advise the agency of the hours in which the premises will be occupied. Inform the agency how they may contact the Facilities Manager around-the-clock in the event of an emergency.

The alarm systems will be receipted to the Assuming Institution. In the event of a Payoff, receipt over to the Receiver-in-Charge.

Exhibit 4.D: Medallion Stamp Certificate of Destruction



Federal Deposit Insurance Corporation
1601 Bryan Street, Dallas, TX 75201

Division of Resolutions and Receiverships

Date:

FAX: 845-620-9340

Kenmark
Debbie Marucci
One Blue Hill Plaza 11th Floor
Pearl River, NY 10965-8686

RE: Certificate of Destruction

First Bank of Beverly Hills Medallion Stamp

Dear Ms. Marucci:

On _____ 20____, (the "Institution") was closed by the ("Regulatory Agency"), and the Federal Deposit Insurance Corporation was appointed as receiver of the Institution (the "Receiver"). Under the laws of the United States, the Receiver is charged with the duty of winding up the affairs of the former Institution.

Please be advised that the following (Name of Institution) Medallion Stamp was destroyed;

("STAMP NUMBER")

You may call me at _____ if you have any questions or comments.

Sincerely,

Functional Manager's Signature

 Failed Financial Institution Closing Manual

Facilities Manager Closing Responsibilities
--

Will First Night Meal be provided:

Number of people at your location to feed:

Place signs for Functional Areas' work locations:

Prepare list of Functional Areas' locations: (if needed)

Verify Access Control System allows FDIC access:

Verify HVAC for the weekend and late night activities:

Verify janitorial service for the weekend activities:

Arrange for locked room for Investigations:

Arrange for locked room for Forensics:

Verify disposition of Bank Issued Credit Cards: (attach documentation)

Y / N

Failed Financial Institution Closing Manual - Section 5

Asset Manager

Contents

This section contains the following information on Asset Manager:

	Topic Title	
<u>Overview</u>		5-2
<u>Closing Task Checklist</u>		5-3
<u>Subsection: 5.1 - Pre-Closing Preparation</u>		5-4
<u>Subsection: 5.2 - Closing Activities</u>		5-5
<u>Subsection: 5.3 - Exit Memorandum and Checklist to Closing Manager</u>		5-9
<u>Section 5: Exhibits</u>		5-10

Overview

The Asset Manager is responsible for the inventory and control of all assets (except cash) of the failed institution, retained by the Receiver. The Asset Manager will supervise and control the inventory process of loans, securities, off balance sheet assets, subsidiaries, and the institution's other assets as required by the Asset Manager's Closing Checklist. (See Exhibit 5.A: Asset Manager's Closing Checklist) The Asset Manager must coordinate this function and maintain close communication with the Closing Manager, Asset Marketing, Proforma, BIS, Facilities, Branches, Legal, Post Closing Asset Manager (PCAM), and Records areas. They should ensure the accurate accounting, servicing, and reporting of assets.

In all types of transactions, the Asset Manager will work with the Financial Manager assigned to the failed institution in obtaining the necessary information to facilitate the transfer and/or conversion of assets.

 Failed Financial Institution Closing Manual

Closing Task Checklist

Institution: _____ **FIN:** _____

Section 5: Asset Manager
Closing Task Checklist
Assigned To: _____

Sub section:	Completed:	Description:
5.1		<input type="checkbox"/> Pre-Closing Preparation
5.2		<input type="checkbox"/> Closing Activities
5.3		<input type="checkbox"/> Exit Memorandum and Checklist to the Closing Manager

Sign-Off: _____ **Date:** _____

 Return all completed and signed task lists to the Closing Manager.

 Failed Financial Institution Closing Manual

Pre-Closing Preparation

Institution: _____ **FIN:** _____

Section 5: Asset Manager

Subsection 5.1: Pre-Closing Preparation

Assigned To: _____

Task:	Completed:	Description:
A		Through the Closing Manager or designee, request access to SharePoint for the Assets Team.
B		Review from SharePoint data the asset number and composition.
C		Determine the staffing required for the closing function.
D		From SharePoint, review any non-traditional business lines as to how they operate, special skills needed, and any additional staffing. Determine if there are SBA, FSA, or other guaranteed loans. Notify the appropriate contact in the Asset Management Department.
E		Attend all pre-closing manager and staff meetings.
F		Determine the computer equipment/software, and the supplies required to perform the Asset Manager closing function.
G		Maintain communication with the Franchise Marketing Specialist, the Closing Manager, other Functional Managers involved with the closing, and all Asset Manager Support Team members. Develop an ongoing rapport with BIS and the assigned contractors.
H		If applicable, in the event the bank has a credit card portfolio, refer to "Best Practices in the Resolution of a Bank Credit Card Portfolio" as a guide in the resolution process. This manual can be found on DRR's webpage at the following location: <u>Best Practices in the Resolution of a Bank Credit Card Portfolio</u>
I		Develop the appropriate section of the Strategic Resolution Plan and provide to the Receiver-in-Charge.

Sign-Off: _____ **Date:** _____

Return all completed and signed task lists to the Closing Manager.

Closing Activities

Institution: _____ **FIN:** _____

Section 5: Asset Manager

Subsection 5.2: Closing Activities

Assigned To: _____

Task:	Completed:	Description:
A		<p>Locate and secure all notes, collateral documents, and asset files in the Note Department.</p> <ol style="list-style-type: none"> 1. Utilize the sign-in/out procedures for notes, collateral documents, and files. 2. Locate collateral receipts/register and maintain dual control of the negotiable collateral.
B		Obtain and review a copy of the General Ledger to ensure all assets are inventoried and accounted for.
C		Obtain the asset and liability computer reports needed (loans, account holds, standard SharePoint reports) as provided by BIS. Consult with the BIS Manager for any special report requests.
D		Obtain a copy of the governing legal documents (i.e., P&A) and review the pertinent Asset related sections. Pay particular attention to the sections governing the assets, any related liabilities, and the putback provisions.
E		Attend all daily Functional Managers' meetings.
F		<p>Administer and facilitate the conveyance of the failed institution's asset portfolio. Complete the following schedules: (See Exhibit 5.A: Asset Manager's Closing Checklist)</p> <ol style="list-style-type: none"> 1. Loan Trial Balances with no Personal Identifiable Information (PII). 2. Loans assumed by Franchise Purchaser with no PII. 3. Required Pools. Obtain a listing of pools that pass to the Assuming Institution under the P&A. 4. Loans assumed by FDIC with no PII. Obtain a listing of loans assumed by the FDIC. 5. Account holds. Coordinate with Claims, Investigations, and BIS. Ensure that deposit holds are placed by the appropriate party. Provide a copy of the account holds list to the PCAM.

Failed Financial Institution Closing Manual

Task: Completed:**Description:**

6. Guarantors List. Obtain report from BIS if information is reportable. Inventory includes loan number, primary borrower, book value, guarantor name, and guaranty type (limited/unlimited).
7. Overdrafts. Account and amount of each overdraft as of the closing date. Confirm with Settlement the putback provisions.
8. Excluded Loan List. Loans that are to be excluded from sale by Investigations and the U.S. Department of Justice or for any other reason, including specific requirements that may be covered in the P&A.
9. Possessory Collateral. Compile list while under dual control. Coordinate with Facilities. Ensure that loan collateral is kept separate from customer safekeeping items in the vault. Based on the terms in the P&A Agreement, receipt the Possessory Collateral to the Assuming Institution and/or PCAM.
10. Letters of Credit. Compile a list of Commercial and Standby Letters of Credit. Legal and PCAM should be provided copies of the Letters of Credit issued by the institution.
11. Unfunded Commitments. This shall include a listing of all Unfunded Commitments including partially funded to be provided by the Unfunded Commitment Action Team (UCAT) contractor.
12. Notification Letters. Draft the letters (First notification letter, account holds letter, participations purchased/sold letter) to be sent to all borrowers, guarantors, and participants informing them of the disposition of their loan and the address to where borrowers should send their payments. Have the draft letters reviewed by Legal.
13. Composite Loan Inventory (Note, File, Collateral Inventory). Perform the inventory by inspecting and recording if note is an original, copy, or missing. Record file count and verify collateral documents. Obtain a list of loans pledged to the Federal Reserve or FHLB and note on the inventory. While performing the inventory, segregate notes, files, and collateral from loans assumed by the Franchise purchaser. Include and integrate the notes and files inventoried by Branch Managers. Arrange transportation of files, as necessary. (Coordinate with Facilities).
14. Safekeeping Inventory. Under dual control prepare a

 Failed Financial Institution Closing Manual

Task: Completed:**Description:**

- detailed inventory list of all items held in Safekeeping as of the closing date. Coordinate with Facilities regarding obtaining the keys and/or the combinations to the vault or secured areas the first night of closing.
15. Assets in Litigation. (Obtain list from Legal). In conjunction with the assigned contractor, Legal, and PCAM, suspend any scheduled foreclosures not considered to be in the best interest of the Receiver. Ensure a memorandum is generated to identify all assets in litigation.
 16. Participations (purchased and sold). Create an inventory of participations and prepare participant letter to include the Purchaser Eligibility Certification.
 17. Non-Accrual Loans. Identify if the download has a field which indicates the non-accrual status. If not, contact bank personnel for a report of all loans on non-accrual. Confirm with Proforma.
 18. Escrow Accounts. Banks having a mortgage portfolio may be responsible for escrowing customer funds for taxes and/or insurance. Prepare a schedule of loans with escrow requirements including the current escrow balance.
 19. Bank Premises. Coordinate with assigned closing team member to obtain a final report of bank premises.
 20. Owned Real Estate. Coordinate with assigned closing ORE team member to obtain a final report of ORE.
 21. Other Assets. Obtain a listing of Other Assets including accounts receivable, minority interests, repossessed collateral, and bank owned vehicles, etc.
 22. Partial Charge-offs and Charged-off Loans. Obtain a listing of each. Partial Charge-offs will be rebooked to loans by Proforma.
 23. SBA/FHMA/FSA Student Loan List. Identify the loans that are government guaranteed and comply with notification requirements prescribed by FDIC's Memorandum of Understanding with the SBA, FSA, FHMA, and any other government-guarantying agency.
 24. Credit Cards. (bank issued and/or serviced).
 25. Securities. Ensure that Capital Markets inventories, controls, and values the securities portfolio with appropriate splits to the Assuming Institution.
 26. Subsidiaries. Coordinate with closing member assigned to task and obtain final report.

 Failed Financial Institution Closing Manual

Task: Completed:**Description:**

For Whole Bank Transactions, complete the following:

1. Loan Trial Balance with no PII.
2. Schedules for all Receiver retained assets.
3. Prepare negative memoranda for all other schedules on the Asset Manager Closing Checklist.

Provide applicable schedules to the Closing Manager for the Inventory Book of Assets and Liabilities.

- G Ensure that PII/SI is secured and encrypted at all times.
- H Ensure PII/SI content on SharePoint, thumb drives, laptops, and e-mails is handled in compliance with FDIC Directives and Policy.
- I Confirm closing team members have executed all assigned tasks and have properly disposed of PII/SI in their possession.
- J Review completed tasks and confirm PII/SI compliance in accordance with FDIC Directives and Policy.

Sign-Off: _____ **Date:** _____

Return all completed and signed task lists to the Closing Manager.

Failed Financial Institution Closing Manual

Exit Memorandum and Checklist to the Closing Manager

Institution: _____ **FIN:** _____

Section 5: Asset Manager

Subsection 5.3: Exit Memorandum and Checklist to the Closing Manager

Assigned To: _____

Task: Completed:

Description:

- | | |
|---|---|
| A | Ensure that all checklists and noted exhibits are submitted. |
| B | Prepare an Exit Memorandum to the Closing Manager in accordance to Exhibit 2.C: Exit Memorandum to the Closing Manager. Include the following: <ol style="list-style-type: none"> 1. Closing assignment 2. Description of tasks performed 3. Unresolved issues 4. Suggestions or problems encountered 5. General comments (if any) |

Sign-Off: _____ **Date:** _____

Return all completed and signed task lists to the Closing Manager.

Section 5: Exhibits

List of Exhibits

Exhibit 2.C: Exit Memorandum to the Closing Manager

Exhibit 5.A: Asset Manager's Closing Checklist

Exhibit 5.A: Asset Manager's Closing Checklist

Bank No: _____

Bank Name: _____

Date Closed: _____

#	REQUIRED SCHEDULE	PREPARED BY	MEMO	LETTER	RECEIPT	COPIED
1.	Loan Trial Balances					
2.	Loans assumed by the Franchise Purchaser					
3.	Required Pools					
4.	Loans Assumed by the FDIC					
5.	Account Holds					
6.	Guarantor List					
7.	Overdrafts					
8.	Excluded Loan List					
9.	Possessory Collateral					
10.	Letters of Credit					
11.	Unfunded Commitments					
12.	Notification Letters					
13.	Composite Loan Inventory (Note, File, Collateral Inventory)					
14.	Safekeeping Inventory					
15.	Assets in Litigation (Pending Foreclosures)					
16.	Participations (Bought/Sold)					
17.	Non-accrual Loans					
18.	Escrow Accounts					
19.	Bank Premises					
20.	Owned Real Estate					
21.	Other Assets					
22.	Partial Charge-offs &					

Failed Financial Institution Closing Manual

	Charged-off Loans					
23.	SBA/FHMA/FSA Student Loans					
24.	Credit Cards					
25.	Securities					
26.	Subsidiaries					
27.	Closing Memoranda					
28.	Miscellaneous					

Failed Financial Institution Closing Manual - Section 6

Claims Manager

Contents

This section contains the following information on Claims Manager:

	Topic Title	
Overview		6-2
Closing Task Checklist		6-3
Subsection: 6.1 - Pre-Closing Preparation		6-4
Subsection: 6.2 - Closing Activities		6-5
Subsection: 6.3 - Post Closing Activities		6-9
Subsection: 6.4 - Exit Memorandum and Checklist to the Closing Manager		6-10
Section 6: Exhibits		6-11

Overview

In general, Claims is responsible for the payment of funds to insured depositors. The performance of this duty is governed by the type of transaction approved.

Transactions which control the accountability and responsibility of Claims are referred to as a Purchase and Assumption (P&A), Deposit Insurance Transfer Agreement (DITA) and Deposit Insurance Transfer and Asset Purchase Agreement (DITAPA). Specific roles and duties are described in detail in the National Claims Manual for each of the above referenced transactions.

In all types of transactions, Claims is responsible for notifying depositors and general creditors of the institution's closing. The National Claims Manual contains policy and procedures for the completion of the task addressed in this section and any other duties that may be appropriate.

Treatment of Sweep Accounts:

For bank closings at the end of the business day, absent fraud, sweeps for all prearranged sweep accounts that are in writing and have been approved by authorized bank officials shall be completed in accordance with their terms. In such cases, the account shall be swept in accordance with the account agreement and the "deposit account" shall be determined for deposit insurance purposes after completion of the sweep. For bank closings prior to the end of the business day, the status of sweep accounts should be reviewed with the Receiver-in-Charge.

 Failed Financial Institution Closing Manual

Closing Task Checklist

Institution: _____ **FIN:** _____

Section 6: Claims Manager

Closing Task Checklist

Assigned To: _____

Sub section:	Completed:	Description:
6.1		<u>Pre-Closing Preparation</u>
6.2		<u>Closing Activities</u>
6.3		<u>Post Closing Activities</u>
6.4		<u>Exit Memorandum and Checklist to the Closing Manager</u>

Sign-Off: _____ **Date:** _____

Return all completed and signed task lists to the Closing Manager.

Pre-Closing Preparation

Institution: _____ **FIN:** _____

Section 6: Claims Manager

Subsection 6.1: Pre-Closing Preparation

Assigned To: _____

Task:	Completed:	Description:
A		Attend all pre-closing manager and staff meetings.
B		Perform a preliminary insurance determination by completing the grouping function.
C		Identify Brokered Deposits and any politically sensitive depositors which are defined as churches, synagogues, charitable or religious organizations, public units unsecured, fully insured and/or fully secured.
D		Prepare the Claims section of the Strategic Resolution Plan, addressing the following concerns: <ul style="list-style-type: none"> • Official Items • Signature cards and certificates of deposits • Financial institution's customer base • Potential uninsured depositors • Types of deposit accounts • Accounting issues • Plan for Claims • Staffing

Sign-Off: _____ **Date:** _____

Return all completed and signed task lists to the Closing Manager.

 Failed Financial Institution Closing Manual

Closing Activities

Institution: _____ **FIN:** _____

Section 6: Claims Manager

Subsection 6.2: Closing Activities

Assigned To: _____

Task: Completed:	Description:
A	Build general files by organizing correspondence and reports.
B	Coordinate computer needs with Closing Manager and BIS.
C	Decide whether the Receivership Liability System (RLS) process will be performed onsite or in the FDIC office.
D	Establish the Failed Institution in the National Platform to receive the uploaded financial information of the institution at closing.
E	Give notice to the Failed Institution's creditors and depositors as per the Federal Deposit Insurance Act. This notice establishes the Bar Date for which a claim can be filed.
F	Reconcile Official Items: <ul style="list-style-type: none"> Locate Failed Institution records of all types of official items. Reconcile all outstanding items to the General Ledger and coordinate with DRR Accounting staff at the closing. Enter or download into RLS prior to preliminary grouping. Identify all outstanding items associated with Brokered accounts.
G	With the help of BIS, verify the Failed Institution's deposit download to the Failed Institution's deposit download including the official items.
H	Extract the depositor grouping report from RLS to make preliminary deposit insurance determinations.
I	Determine if any holds should be placed by the FDIC. (See Exhibit 6.A: Hold Notice to Claims Manager) The types of holds are: <ul style="list-style-type: none"> • Claim Holds – Deposits that are determined to be uninsured, the insured portion of a pass with a hold account, or a bank controlled account. • Credit or Loan Holds – Leverage holds. • Investigation Holds – Accounts of Failed Institution Directors or Officers.

 Failed Financial Institution Closing Manual

Task: Completed:	Description:
	<ul style="list-style-type: none"> • Employee Benefits Holds – Accounts of the Failed Institution containing employee benefit assets. • Legal Holds – Deposits that are associated with pending litigation.
J	<p>Assign a unique claim number through RLS to each deposit account and write the beginning balance transaction:</p> <p style="padding-left: 40px;">Ensure that the Claim Type has been mapped.</p> <p style="padding-left: 40px;">Balance the accounts to the deposit trial.</p> <p style="padding-left: 40px;">Account for any Official Items.</p> <p style="padding-left: 40px;">Assign Acquirers and Liabilities.</p>
K	<p>In an insured deposit transaction - Provide a copy of the final excess register report to DRR Accounting staff to facilitate the first wire.</p> <p>In a Payoff transaction - Provide a copy of the Subrogation Check Register Report to DRR Accounting staff in an excel format.</p>
L	<p>For publicly traded banks, obtain the most current stockholder listing from the outside Transfer Agent.</p>
M	<p>Meet with depositors as needed to answer questions regarding deposit insurance and/or prepare the uninsured depositors for their telephone meeting with a Claim Agents in the Field Office.</p>
N	<p>As required or warranted, release holds in RLS:</p> <p style="padding-left: 40px;">Provide release notification to the Assuming Institution.</p> <p style="padding-left: 40px;">Provide release notification to the depositor.</p>
O	<p>Separate the Brokered Deposits and perform the insurance determination, for insured deposits transaction only.</p>
P	<p>Consider Offsets:</p> <p style="padding-left: 40px;">Determine the existence of mutuality.</p> <p style="padding-left: 40px;">Determine whether an offset is permissible.</p> <p style="padding-left: 40px;">Compute the offset Amount.</p> <p style="padding-left: 40px;">Process through RLS.</p> <p style="padding-left: 40px;">Document offset file.</p>
Q	<p>Determine if there are any public unit deposits that are secured by institution owned securities, loans, or other types of assets. Examples of public units are: the United States government, a state, county, municipality or public subdivision, the District of Columbia, the Commonwealth of Puerto Rico and other government possessions and territories and Indian Tribes.</p>

 Failed Financial Institution Closing Manual

Task: Completed:	Description:
R	<p>Prepare for the Settlement process:</p> <p style="padding-left: 40px;">Instruct the Assuming Institution to establish a General Ledger account to facilitate the Corporate Settlement process.</p> <p style="padding-left: 40px;">Explain the FDIC Due From letter and the FDIC Due To letter to the Assuming Institution.</p> <p style="padding-left: 40px;">Advise the Assuming Institution when to expect the first Settlement meeting with an FDIC Claim Representative.</p> <p style="padding-left: 40px;">Document the Corporate Settlement Folder.</p>
S	<p>In a Payoff only - obtain a recap of any federal government Automated Clearing House payments that may be expected immediately following the closing.</p> <p style="padding-left: 40px;">Obtain from FAMB the name of the depository institution that has agreed to accept the federal government Automated Clearing House payments and notify Failed Institution depositors.</p>
T	In a Payoff only - coordinate check printing activities with the Liability Accounting Unit of DRR Accounting Operations.
U	<p>Provide the following reports to the Assuming Institution:</p> <p style="padding-left: 40px;">Account Holds</p> <p style="padding-left: 40px;">Final Excess Register Report</p> <p style="padding-left: 40px;">Final Pass with Hold Report</p> <p style="padding-left: 40px;">Liability Register</p> <p style="padding-left: 40px;">Unclaimed Deposits</p> <p style="padding-left: 40px;">Corporate Settlement</p>
V	<p>Explain procedures for the various Claim processes impacting the Assuming Institution and the FDIC claims function, including:</p> <ul style="list-style-type: none"> • Procedures for placing and releasing account holds, FDIC staff authorized to release account holds. • Procedures for unclaimed deposits and their ultimate return to the FDIC. • Procedures for mailing the Notice to Depositors by the Assuming Institution. • Procedures relating to the Corporate Settlement Process. • Procedures for establishing a contact at both the FDIC and Assuming Institution.
W	Attend all daily Functional Managers' meetings.
X	Ensure that PII/SI is secured and encrypted at all times.
Y	Ensure PII/SI content on SharePoint, thumb drives, laptops, and e-mails is handled in compliance with FDIC Directives and Policy.

Failed Financial Institution Closing Manual

Task: Completed:**Description:**

- | | |
|----|---|
| Z | Confirm closing team members have executed all assigned tasks and have properly disposed of PII/SI in their possession. |
| AA | Review completed tasks and confirm PII/SI compliance in accordance with FDIC Directives and Policy. |

Sign-Off: _____ **Date:** _____

Return all completed and signed task lists to the Closing Manager.

 Failed Financial Institution Closing Manual

Post Closing Activities

Institution: _____ **FIN:** _____

Section 6: Claims Manager

Subsection 6.3: Post Closing Activities

Assigned To: _____

Task: Completed:

Description:

- A Gather the following information concerning Creditor Claims:
- Download (if available) or listing of creditors that may require notification
 - Notice to the Discovered Creditor
 - Process Claims
- Creditor Claims against the receivership can arise from a multitude of business activities, including but not limited to the following:
- General Trade Creditors
 - Employees with accrued but unpaid salary vacation, and/or sick time
 - Governmental units for unpaid taxes, assessments or levies
 - International Banking Facility
 - Beneficiaries of Letters of Credit
 - Litigants
 - Subordinated debt holders
 - Stockholders of the failed financial institution
- B Process and issue Receiver's Certificates.

Sign-Off: _____ **Date:** _____

Return all completed and signed task lists to the Closing Manager.

Exit Memorandum and Checklist to the Closing Manager

Institution: _____ **FIN:** _____

Section 6: Claims Manager

Subsection 6.4: Exit Memorandum and Checklist to the Closing Manager

Assigned To: _____

Task: Completed:

Description:

- | | |
|---|---|
| A | Ensure that all checklists and noted exhibits are submitted. |
| B | Prepare an Exit Memorandum to the Closing Manager in accordance to Exhibit 2.C: Exit Memorandum to the Closing Manager. Include the following: <ol style="list-style-type: none"> 1. Closing assignment 2. Description of tasks performed 3. Unresolved issues 4. Suggestions or problems encountered 5. General comments (if any) |

Sign-Off: _____ **Date:** _____

Return all completed and signed task lists to the Closing Manager.

Section 6: Exhibits

List of Exhibits

Exhibit 2.C: Exit Memorandum to the Closing Manager

Exhibit 6.A: Hold Notice to Claims Manager

Exhibit 6.A: Hold Notice to Claims Manager



Federal Deposit Insurance Corporation
1601 Bryan Street, Dallas, TX 75201

Division of Resolutions and Receiverships

[Date]

To: [Name]
Claims Manager
From: [Name]
Functional Manager
Subject: [FIN, Name of Institution]
[City, State] – In Receivership
Account Hold Request

Please place a hold on the following accounts that have been identified as [reason for hold].

Account No. [], styled [], balance \$[].

Account No. [], styled [], balance \$[].

Please provide confirmation when holds are placed.

cc: Closing Manager

Failed Financial Institution Closing Manual - Section 7

Investigations Manager

Contents

This section contains the following information on Investigations Manager:

	Topic Title	
<u>Overview</u>		7-2
<u>Closing Task Checklist</u>		7-3
<u>Subsection: 7.1 - Pre-Closing Preparation</u>		7-4
<u>Subsection: 7.2 – Closing Activities</u>		7-5
<u>Subsection: 7.3 - Desk Inventory, Interviews, and Account Holds</u>		7-6
<u>Subsection: 7.4 - Collect all Pertinent Information Relevant to the Institution</u>		7-7
<u>Subsection: 7.5 - Tasks For a Purchase and Assumption Transaction</u>		7-12
<u>Subsection: 7.6 - Exit Memorandum and Checklist to the Closing Manager</u>		7-13
<u>Section 7: Exhibits</u>		7-14


Overview

In general, the foremost objective of the Investigations Manager is to gather information that can be utilized in civil suit for professional liability claims. Professional liability is the result of fraud and/or negligence on the part of directors, officers, attorneys, accountants, brokers, and others.

The Investigations Manager will also research and obtain materials necessary for pursuit of any insurance claims against the institution's bond policy and for possible criminal prosecution by the U.S. Justice Department.

Responsibilities:

(b)(5)



 Failed Financial Institution Closing Manual

Closing Task Checklist

Institution: _____ **FIN:** _____

Section 7: Investigations Manager

Closing Task Checklist

Assigned To: _____

Sub Section:	Completed:	Description:
7.1		<u>Pre-Closing Preparation</u>
7.2		<u>Closing Activities</u>
7.3		<u>Desk Inventory, Interviews, and Account Holds</u>
7.4		<u>Collect all Pertinent Information Relevant to the Institution</u>
7.5		<u>Tasks For a Purchase and Assumption Transaction</u>
7.6		<u>Exit Memorandum and Checklist to the Closing Manager</u>

Sign-Off: _____ **Date:** _____

Return all completed and signed task lists to the Closing Manager.

Pre-Closing Preparation

Institution: _____ **FIN:** _____

Section 7: Investigations Manager

Subsection 7.1: Pre-Closing Preparation

Assigned To: _____

Task: Completed:	Description:
(b)(5)	

Sign-Off: _____ **Date:** _____

Return all completed and signed task lists to the Closing Manager.

Failed Financial Institution Closing Manual

Closing Activities

Institution: _____ **FIN:** _____

Section 7: Investigations Manager

Subsection 7.2: Closing Activities

Assigned To: _____

Task: Completed:	Description:
A	Ensure that PII/SI is secured and encrypted at all times.
B	Ensure PII/SI content on SharePoint, thumb drives, laptops, and e-mails is handled in compliance with FDIC Directives and Policy.
C	Confirm closing team members have executed all assigned tasks and have properly disposed of PII/SI in their possession.
D	Review completed tasks and confirm PII/SI compliance in accordance with FDIC Directives and Policy.

Sign-Off: _____ **Date:** _____

Return all completed and signed task lists to the Closing Manager.

Failed Financial Institution Closing Manual

Desk Inventory, Interviews, and Account Holds

Institution: _____ **FIN:** _____

Section 7: Investigations Manager

Subsection 7.3: Desk Inventory, Interviews, and Account Holds

Assigned To: _____

Task: Completed:

Description:

(b)(5)

Sign-Off: _____ **Date:** _____

Return all completed and signed task lists to the Closing Manager.

Failed Financial Institution Closing Manual

Collect all Pertinent Information Relevant to the Institution

Institution: _____ **FIN:** _____

Section 7: Investigations Manager

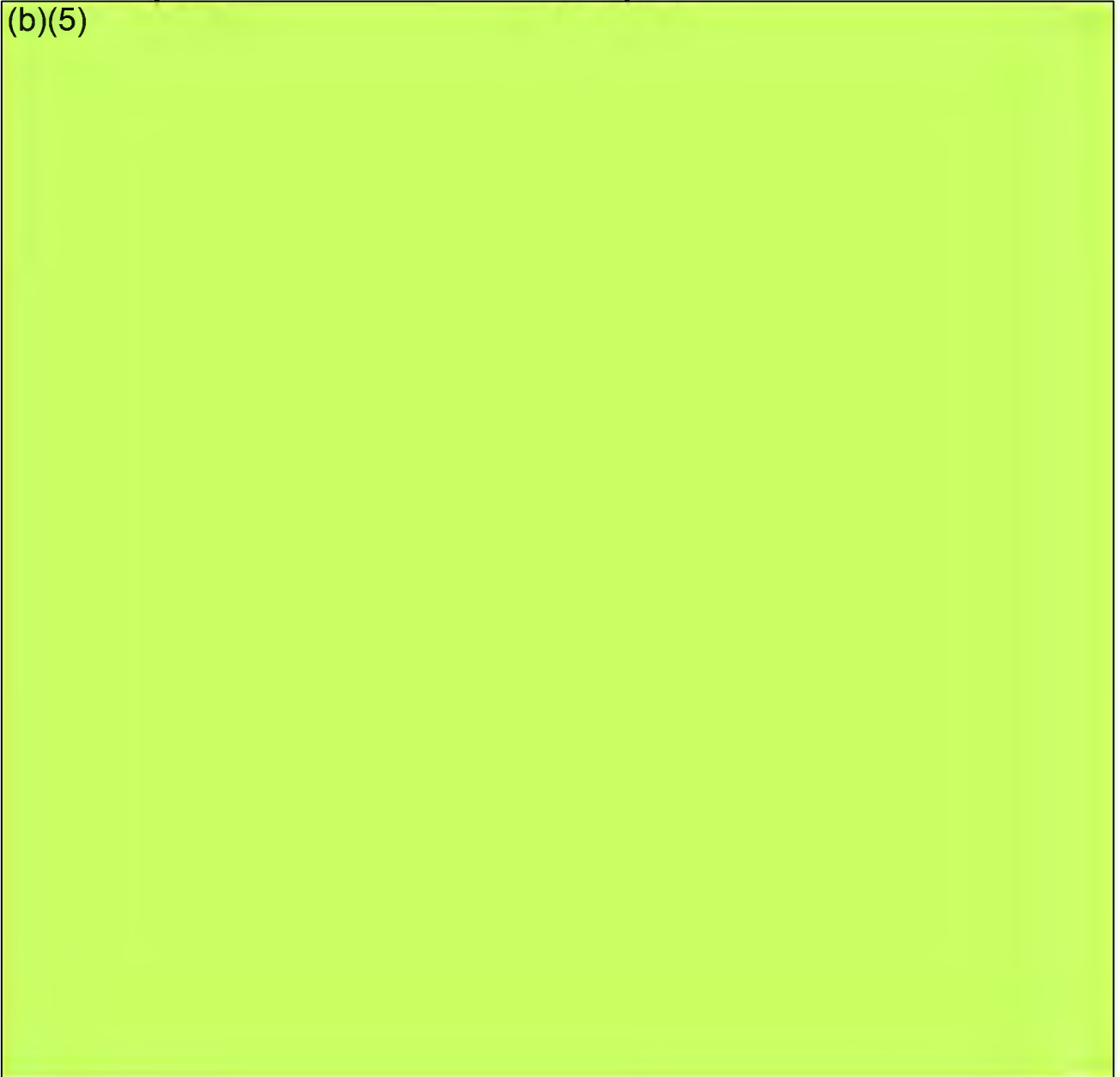
Subsection 7.4: Collect all Pertinent Information Relevant to the Institution

Assigned To: _____

Task: Completed:

Description:

(b)(5)

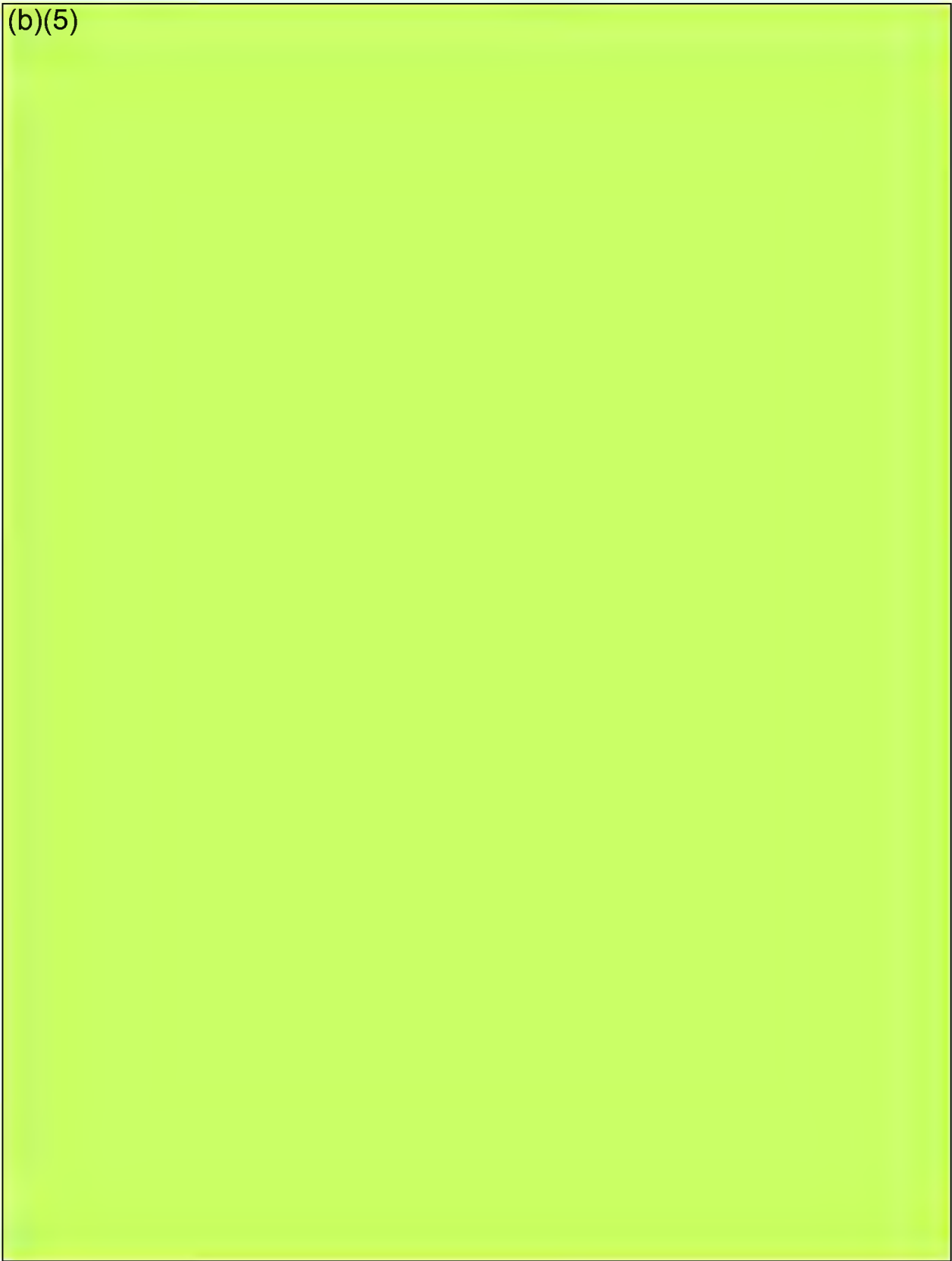


Failed Financial Institution Closing Manual

Task: Completed:

Description:

(b)(5)




Failed Financial Institution Closing Manual

Task: Completed:

Description:

(b)(5)

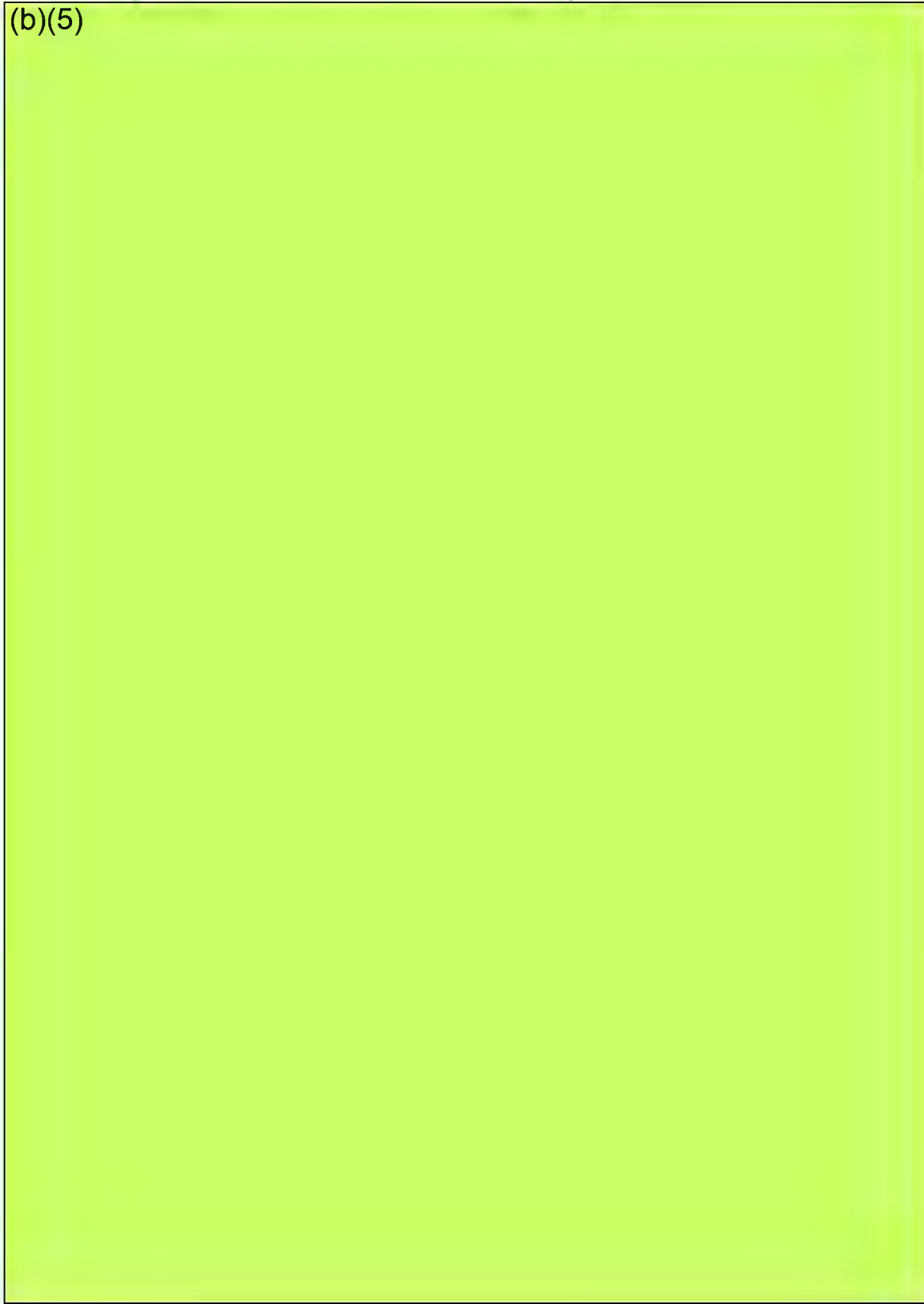


Failed Financial Institution Closing Manual

Task: Completed:

Description:

(b)(5)

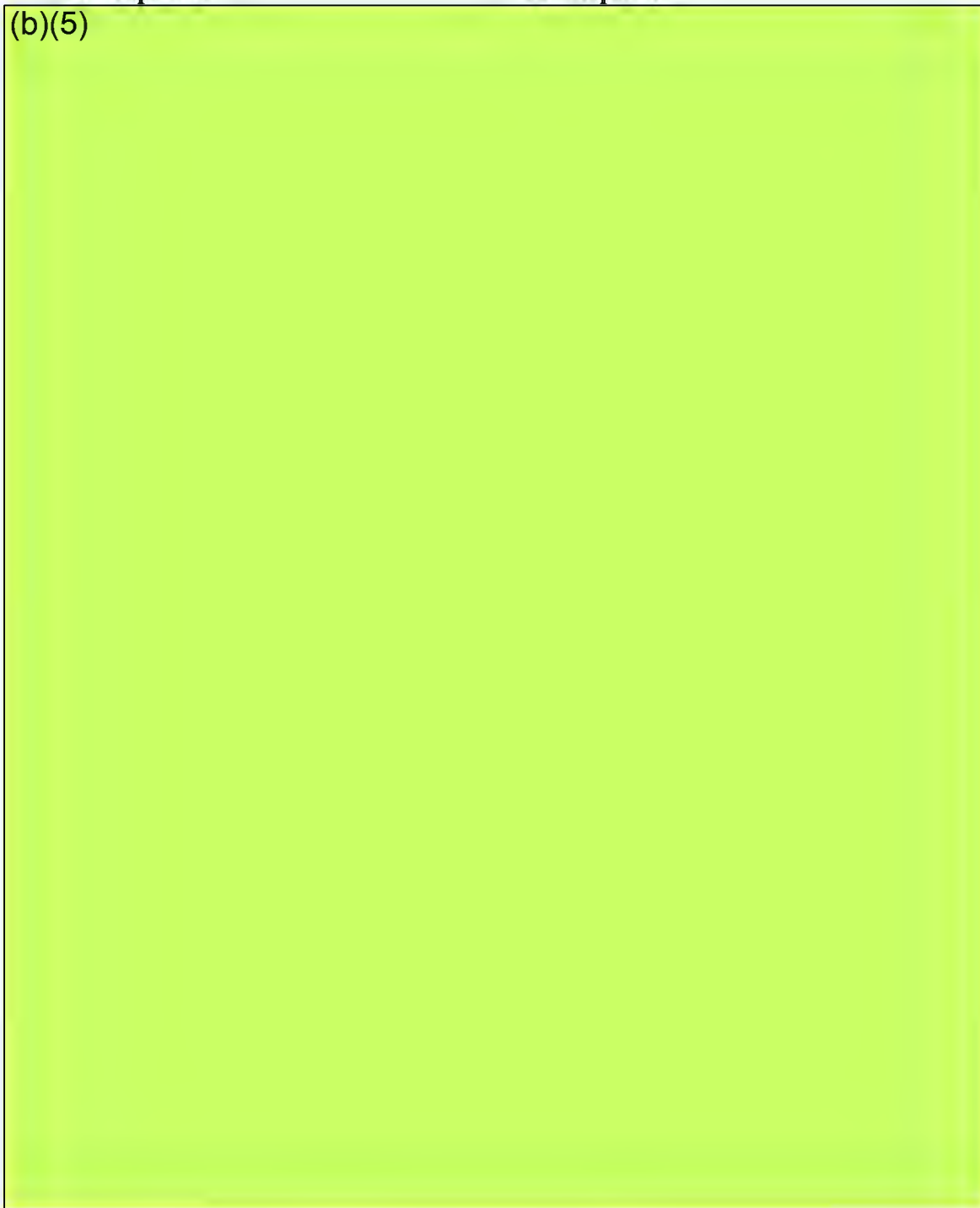


Failed Financial Institution Closing Manual

Task: Completed:

Description:

(b)(5)



Sign-Off: _____ **Date:** _____

Return all completed and signed task lists to the Closing Manager.

Tasks for a Purchase and Assumption Transaction

Institution: _____ **FIN:** _____

Section 7: Investigations Manager

Subsection 7.5: Tasks For a Purchase and Assumption Transaction

Assigned To: _____

Task: Completed:	Description:
A	Prepare a detailed inventory listing of items collected and boxed by Investigations.
B	Provide a copy of Investigations' Inventory to the Closing Manager, Records Management, and PLG Attorney.
C	Obtain copy of Records Management Inventory List.
D	Attend all daily Functional Managers' meetings.

Sign-Off: _____ **Date:** _____

Return all completed and signed task lists to the Closing Manager.

Exit Memorandum and Checklist to the Closing Manager

Institution: _____ **FIN:** _____

Section 7: Investigations Manager

Subsection 7.6: Exit Memorandum and Checklist to the Closing Manager

Assigned To: _____

Task: Completed:

Description:

- | | |
|---|---|
| A | Ensure that all checklists and noted exhibits are submitted. |
| B | Prepare an Exit Memorandum to the Closing Manager in accordance to Exhibit 2.C: Exit Memorandum to the Closing Manager. Include the following: <ol style="list-style-type: none"> 1. Closing assignment 2. Description of tasks performed 3. Unresolved issues 4. Suggestions or problems encountered 5. General comments (if any) |

Sign-Off: _____ **Date:** _____

Return all completed and signed task lists to the Closing Manager.

Section 7: Exhibits

List of Exhibits

Exhibit 2.C: Exit Memorandum to the Closing Manager

Exhibit 6.A: Hold Notice to Claims Manager

Failed Financial Institution Closing Manual - Section 8

Settlement Agent

Contents

This section contains the following information on Settlement Agent:

	Topic Title	
<u>Overview</u>		8-2
<u>Closing Task Checklist</u>		8-3
<u>Subsection: 8.1 - Pre-Closing Preparation</u>		8-4
<u>Subsection: 8.2 - Closing Activities</u>		8-5
<u>Subsection: 8.3 - Post Closing Activities</u>		8-6
<u>Subsection: 8.4 - Exit Memorandum and Checklist to the Closing Manager</u>		8-7
<u>Section 8 - Exhibits</u>		8-8

Overview

The over arching responsibility of the Settlement function is the administration of the P&A Agreement. By definition, the Settlement function exists only when there is an Agreement with an Assuming Institution.

The standard Settlement period continues for up to 365 days from date of institution failure. During this period, the Settlement Agent oversees the transfer of the failed institution's assets and liabilities in accordance with the terms of the agreement, and the correction of any discrepancies related to the asset or liabilities balances purchased by or transferred to the Assuming Institution.

However, it is important to note that each closing is unique, and therefore the exact roles and responsibilities of the Settlement personnel may vary according to the agreement and other factors associated with the particular closing.

For a detailed discussion of the various Settlement activities, see Exhibit 8.A: Types of Settlement Items and also the Settlement Manual.

 Failed Financial Institution Closing Manual

Closing Task Checklist

Institution: _____ **FIN:** _____

Section 8: Settlement Agent
Closing Task Checklist
Assigned To: _____

Sub section:	Completed:	Description:
8.1		<u>Pre-Closing Preparation</u>
8.2		<u>Closing Activities</u>
8.3		<u>Post Closing Activities</u>
8.4		<u>Exit Memorandum and Checklist to the Closing Manager</u>

Sign-Off: _____ **Date:** _____

 Return all completed and signed task lists to the Closing Manager.

Failed Financial Institution Closing Manual

Pre-Closing Preparation

Institution: _____ **FIN:** _____

Section 8: Settlement Agent

Subsection 8.1: Pre-Closing Preparation

Assigned To: _____

Task:	Completed:	Description:
A		Attend all pre-closing manager and staff meetings.
B		Ensure that the Settlement Agent develops the appropriate section of the Strategic Resolution Plan and provides it to the Receiver-in-Charge.

Sign-Off: _____ **Date:** _____

Return all completed and signed task lists to the Closing Manager.

Closing Activities

Institution: _____ **FIN:** _____

Section 8: Settlement Agent

Subsection 8.2: Closing Activities

Assigned To: _____

Task:	Completed:	Description:
A		Assist the Assuming Institution, as required, to understand their roles and responsibilities, as well as those of FDIC during the Settlement period.
B		Communicate the critical dates to the appropriate parties in FDIC and the Assuming Institution.
C		Monitor compliance with the P&A Agreement.
D		Facilitate the purchase of assets under option in the P&A Agreement.
E		Negotiate with Assuming Institution to pay bills on behalf of FDIC.
F		Direct the Assuming Institution to change the utilities bills into their name after official notification is given to purchase or assume property leases (check for contract and reject if applicable to avoid termination fee).
G		Attend all daily Functional Managers' meetings.
H		Ensure that PII/SI is secured and encrypted at all times.
I		Ensure PII/SI content on SharePoint, thumb drives, laptops, and e-mails is handled in compliance with FDIC Directives and Policy.
J		Confirm closing team members have executed all assigned tasks and have properly disposed of PII/SI in their possession.
K		Review completed tasks and confirm PII/SI compliance in accordance with FDIC Directives and Policy.

Sign-Off: _____ **Date:** _____

Return all completed and signed task lists to the Closing Manager.

 Failed Financial Institution Closing Manual

Post Closing Activities

Institution: _____ **FIN:** _____

Section 8: Settlement Agent
Subsection 8.3: Post Closing Activities
Assigned To: _____

Task:	Completed:	Description:
A		Accumulate information for costs to be split between FDIC and the Assuming Institution.
B		Prepare the Settlement Account Transaction Form (SATF) and secure the appropriate approvals for each financial adjustment.
C		Direct interim and final Settlement funding between the Receivership and the Assuming Institution in accordance with the P&A Agreement.

Sign-Off: _____ **Date:** _____

 Return all completed and signed task lists to the Closing Manager.

Exit Memorandum and Checklist to the Closing Manager

Institution: _____ **FIN:** _____

Section 8: Settlement Agent

Subsection 8.4: Exit Memorandum and Checklist to the Closing Manager

Assigned To: _____

Task: Completed:

Description:

- | | |
|---|---|
| A | Ensure that all checklists and noted exhibits are submitted. |
| B | Prepare an Exit Memorandum to the Closing Manager in accordance to Exhibit 2.C: Exit Memorandum to the Closing Manager. Include the following: <ol style="list-style-type: none"> 1. Closing assignment 2. Description of tasks performed 3. Unresolved issues 4. Suggestions or problems encountered 5. General comments (if any) |

Sign-Off: _____ **Date:** _____

Return all completed and signed task lists to the Closing Manager.

Section 8: Exhibits

List of Exhibits

Exhibit 2.C: Exit Memorandum at Closing

Exhibit 8.A: Types of Settlement Items

Exhibit 8.A: Types of Settlement Items

Settlement transactions vary according to the unique nature and complexity of the failed institution. However, the information below provides a summary of the more common activity.

Proforma Adjustments:

These typically include adjustments from book value to market value, correction of errors/omissions detected after the Proforma balances were posted, and reallocation of assets/liabilities. Only those adjustments that affect both the FDIC and Assuming Institution may be Settlement items.

Discovered Assets and Liabilities:

Further analysis of the failed institution may reveal new or “discovered” assets or liabilities not identified during the initial Proforma. Discovered assets and liabilities are Settlement items only to the extent that they affect both the FDIC and the Assuming Institution.

Putback / Repurchase:

In a Putback transaction, the Assuming Institution may return an asset to the FDIC as described in the P&A Agreement. In a Repurchase transaction, FDIC may determine it is in the best interest of the Receivership/Corporation to own the asset.

Post Closing Expenses:

Certain expenses such as post closing wages for temporary employees may be paid by the Assuming Institution on behalf of FDIC, and if so, are reimbursed to the Assuming Institution via Settlement. Additionally, the cost of appraisals to determine Fair Market Value is typically shared equally by FDIC and the Assuming Institution. These amounts are also paid via Settlement.

Purchase of Premises, FF&E or Prepaid Contracts:

The P&A Agreement may provide an option for the Assuming Institution to purchase these assets. Typically appraisal costs are included as Settlement items, as are asset related rent amounts and asset purchase amounts.

Failed Financial Institution Closing Manual

Other typical adjustments:

- Net Wire interest
- Securities valuations/purchases
- Premises leases, assignments, quit claim deeds, bills of sale
- Correspondent bank account reconciling items
- Expense adjustments; i.e., broker/appraiser fees, telephone bills, data processing fees
- Real estate/personal property taxes
- Other accrued interest payable and receivable

Failed Financial Institution Closing Manual - Section 9

Employee Benefits Manager

Contents

This section contains the following information on Employee Benefits Manager:

	Topic Title	
Overview		9-2
Closing Task Checklist		9-3
Subsection: 9.1 - Pre-Closing Preparation		9-4
Subsection: 9.2 - Closing Activities		9-5
Subsection: 9.3 - Exit Memorandum and Checklist to the Closing Manager		9-7
Section 9: Exhibits		9-8

Overview

Benefit plans include defined contribution plans, defined benefit plans, cafeteria plans, welfare benefit plans, and supplemental employee retirement plans (SERP). The type of plan determines the documentation collected and the steps required to terminate the plan.

In general, the Employee Benefits Manager is responsible for:

- Identifying benefit plans established for the employees of the failed financial institution and gathering and securing plan documents and records of those plans.
- Collecting pertinent information on eligible employees, retirees and COBRA participants needed for the administration of the FDIC Improvement Act of 1991 (FIA) health insurance continuation program.
- Disseminating information to failed institution employees regarding their benefit plans.
- Furnishing all documentation referenced above to the assigned DRR Receivership Benefits Specialist.

It is important to note that terminating benefit plans should be handled with great care, sensitivity, and understanding towards the employee.

 Failed Financial Institution Closing Manual

Closing Task Checklist

Institution: _____ **FIN:** _____

Section 9: Employee Benefits Manager
Closing Task Checklist
Assigned To: _____

Sub section:	Completed:	Description:
9.1		Pre-Closing Preparation
9.2		Closing Activities
9.3		Exit Memorandum and Checklist to the Closing Manager

Sign-Off: _____ **Date:** _____

 Return all completed and signed task lists to the Closing Manager.

 Failed Financial Institution Closing Manual

Pre-Closing Preparation

Institution: _____ **FIN:** _____

Section 9: Employee Benefits Manager
Subsection 9.1: Pre-Closing Preparation
Assigned To: _____

Task:	Completed:	Description:
A		Obtain access to the project SharePoint site with PII from the Closing Manager.
B		Attend all pre-closing manager and staff meetings.
C		Meet with Assuming Institution Human Resources (HR) Manager at pre-closing meeting; invite the Personnel/Payroll Functional Manager to attend.
D		Discuss the benefits plans and see if the Assuming Institution has any interest in assuming any of the failed bank's plans. This is not typical, but has happened.
E		Discuss the closing night's agenda, i.e., intent to interview HR manager, locate records, and verify pre-closing information such as date insurances are paid through and existence of bank sponsored/holding company sponsored plans.
F		Meet with the RAC contractors at pre-closing meeting. Introduce contractors to the Interview Guide. (See Exhibit 9.A: Interview Guide)
G		Direct contractors to arrive at a specific time, usually one hour after closing time, but could be the morning following the closing. Verify that BIS has a computer available for the contractors.
H		Review copies provided by FAMB, of all personnel and employment related contracts that may exist between employees and the institution, such as special employment contracts, deferred compensation arrangements, pending recruitment contracts, etc.
I		Develop the appropriate section of the Strategic Resolution Plan and provide to the Receiver-in-Charge.

Sign-Off: _____ **Date:** _____

Return all completed and signed task lists to the Closing Manager.

Closing Activities

Institution: _____ **FIN:** _____

Section 9: Employee Benefits Manager

Subsection 9.2: Closing Activities

Assigned To: _____

Task: Completed:	Description:
A	Using the Interview Guide and completing all tabs, interview the bank's HR manager. Have the contractor record the responses.
B	Collect documents and records of bank sponsored benefit plans. (Use Exhibit 9.B: Employee Benefit Plan Documentation Checklist to inventory documents)
C	As soon as deposit accounts containing benefit assets are identified, notify the Claims Manager in writing to place holds on the accounts of the failed institution, if deemed required by EB Specialist. Holds must be placed before the Assuming Institution reopens the Bank or as soon as possible after discovery. (See Exhibit 6.A: Hold Notice to Claims Manager)
D	Upon request prepare status report to RIC, CM, and Communications Manager. Report accomplishments of the first night which are typically only the HR interview and the location of plan documents.
E	Prepare for the all-employee meeting.
F	Prepare the information sheet and/or the Q&A. The information sheet and Q&A may be provided at the all-employee meeting or they may be circulated via email blast. (See Exhibit 9.C: Meeting Information Sheet and Q&A)
G	Participate in the all-employee meeting: Summarize benefit information. Introduce Payroll Manager. Review new payroll instruction and final payroll information.
H	Prepare the notices to the plan's service providers. (See Exhibit 9.D: Plan Notices)
I	Prepare the case and resolutions to terminate the defined contribution and/or defined benefit plans, listing all of the bank's plans. (See Exhibit 9.E: Case and Resolutions)

 Failed Financial Institution Closing Manual

Task: Completed:**Description:**

- J Instruct the contractor to send all files to the Benefits Manager either electronically or via Flash drive. Upload all files to the FDIC shared drive.
- K Contact service providers to verify that premiums have been paid and confirm the date the policy is paid through. This information must be confirmed on the first business day post-closing.
- L Instruct contractor to inventory and box the files and obtain as many documents as possible in electronic format. Contractor will arrange for priority shipment to the assigned DRR Receivership Benefits Specialist.
- M Complete the Status Report entry (in Excel format) and email to the assigned DRR Receivership Benefits Specialist.
- N Attend all daily Functional Managers' meetings.
- O Ensure that PII/SI is secured and encrypted at all times
- P Ensure PII/SI content on SharePoint, thumb drives, laptops, and e-mails is handled in compliance with FDIC Directives and Policy.
- Q Confirm closing team members have executed all assigned tasks and have properly disposed of PII/SI in their possession.
- R Review completed tasks and confirm PII/SI compliance in accordance with FDIC Directives and Policy.

Sign-Off: _____ **Date:** _____

Return all completed and signed task lists to the Closing Manager.

Exit Memorandum and Checklist to the Closing Manager

Institution: _____ **FIN:** _____

Section 9: Employee Benefits Manager

Subsection 9.3: Exit Memorandum and Checklist to the Closing Manager

Assigned To: _____

Task: Completed:

Description:

- | | |
|---|---|
| A | Ensure that Interview Guide, all checklists, and noted exhibits are submitted. |
| B | Prepare an Exit Memorandum to the Closing Manager in accordance to Exhibit 2.C: Exit Memorandum to the Closing Manager. Include the following: <ol style="list-style-type: none"> 1. Closing assignment 2. Description of tasks performed 3. Unresolved issues 4. Suggestions or problems encountered 5. General comments (if any) |
| C | Send a copy of the exit memorandum and all completed checklists to the assigned DRR Receivership Benefits Specialist if applicable... |

Sign-Off: _____ **Date:** _____

Return all completed and signed task lists to the Closing Manager.

Section 9: Exhibits

List of Exhibits

Exhibit 2.C: Exit Memorandum to the Closing Manager

Exhibit 6.A: Hold Notice to Claims Manager

Exhibit 9.A: Interview Guide

Exhibit 9.B: Employee Benefit Plan Documentation Checklist Example

Exhibit 9.C: Meeting Information Sheet and Q&A

Exhibit 9.D: Plan Notices

Exhibit 9.E: Case and Resolutions

Exhibit 9.A: Interview Guide

FIN	Bank Name	City, State	Failure Date	Assigned Specialist	Closing EB FM
Fin	Name	City, St			

Interview Guide - General

1	Name, phone and email of HR personnel interviewed.	
2	Request a copy of the employee handbook.	
3	Request the following employee lists:	
	a. Employee Census - all employee list with position, salary & address.	
	b. FIA List - Employees, Cobra, Retirees - current health plan participants (samples attached)	
	c. FSA Participant List - name, election amount, contributions to date, claims paid to date. (sample attached)	
	d. 401(k) list - Participant name, address	
4	Are there any BOLIs, SERPs, or Employment Contracts? Has the BOLI been cashed in? Request copies and if BOLI has been cashed in request GL entry accounting for funds. Employment Contracts go to Contracts and Leases for review.	
5	Was accrued vacation leave paid through closing? If not, recommend to the RIC that the Receiver pay accrued and unused vacation up to a maximum of 80 hours. Accrued Vacation/Leave refers to the vacation/leave time that an employee has earned, but not used for the bank's current year. Sick leave is not paid out.	
6	Are there any terminated plans? If yes, gather information.	

1		

Failed Financial Institution Closing Manual

2		

Benefit Plans

1	Does the bank have any of the following? (fill out info sheets) a. 401(k) b. Pension / Defined Benefit Plan c. ESOP d. Other	
2	Collect all plan documents - including electronic versions as listed. (notate if not available) a. Plan document; Summary Plan Description b. Amendments c. Third Party Service Agreements d. Form 5500 e. Trust Agreements f. Fiduciary Committee Minutes for prior 3 years g. Copy of Fidelity Bond h. Loan Policy	
3	Are there any benefits that have accrued but not contributed to the plan?	
4	Were there any denied claims for benefits?	
5	Any pending or threatened litigation pertaining to the plan?	
6	Did a partial termination of the plan occur in the past 5 years due to layoffs or restructuring? If so, were effected participants credited with 100% vesting? (Note – A partial termination may occur if 20% or more of a plan’s participants terminate in one year).	
7	Are there any QDROs that are unresolved?	
8	Are there any participants with outstanding loans? If yes, attach listing of loans.	

FSA (fill out info sheet)

1	Do participants have prescription or other type benefit cards? (If so, get the cards cut off ASAP)	
2	Is there a GL or DDA with FSA contributions? (Place a hold on account) a. FSA Account Number: b. Amount in Account: c. FSA Participant List (listed above)	

 Failed Financial Institution Closing Manual

Interview Guide – Welfare

Assigned Specialist	Closing EB FM	FIN	Bank Name	City, State	Failure Date	Assigned Specialist	Closing EB FM

Welfare / Health					
Health Plans (open, closed, AI, HC, OS, None)	Paid Through	Health Participants	HEALTH TPA NAME ADDRESS PHONE NUMBER	FIA to be Offered (if not, list reason)	Welfare Plan Custodian NAME ADDRESS PHONE NUMBER

Welfare / Dental, Vision, Life, LTD, STD, Other						
DENTAL TPA NAME ADDRESS PHONE NUMBER	VISION TPA NAME ADDRESS PHONE NUMBER	LIFE TPA NAME ADDRESS PHONE NUMBER	LTD TPA NAME ADDRESS PHONE NUMBER	STD TPA NAME ADDRESS PHONE NUMBER	SUP LIFE TPA NAME ADDRESS PHONE NUMBER	OTHER TPA NAME ADDRESS PHONE NUMBER

 Failed Financial Institution Closing Manual

Interview Guide – 401(k)

FIN	Bank Name	City, State	Failure Date	Assigned Specialist	Closing EB FM

401(k)						
401K Plans (D, D-soon, P, Term, AI, HC, OS, None)	401(k)\$	401(k) Participants	401(k) Forfeiture	Third Party Administrator NAME ADDRESS PHONE NUMBER	Plan Trustee NAME ADDRESS PHONE NUMBER	Plan Custodian NAME ADDRESS PHONE NUMBER

 Failed Financial Institution Closing Manual

Interview Guide – Pension

FIN	Bank Name	City, State	Failure Date	Assigned Specialist	Closing EB FM

Pension Plan

Defined Benefit Plans (UF, D, D-soon, P, Term, AI, HC, OS, None)	DB\$	DB Participants	Third Party Administrator NAME ADDRESS PHONE NUMBER	Plan Trustee NAME ADDRESS PHONE NUMBER	Plan Custodian NAME ADDRESS PHONE NUMBER

 Failed Financial Institution Closing Manual

Interview Guide – ESOP

FIN	Bank Name	City, State	Failure Date	Assigned Specialist	Closing EB FM

ESOP

ESOP (UF, D, D-soon, P, Term, AI, HC, OS, None)	ESOP\$	ESOP Participants	Third Party Administrator NAME ADDRESS PHONE NUMBER	Plan Trustee NAME ADDRESS PHONE NUMBER	Plan Custodian NAME ADDRESS PHONE NUMBER

 Failed Financial Institution Closing Manual

Interview Guide – FSA

FIN	Bank Name	City, State	Failure Date	Assigned Specialist	Closing EB FM

FSA

FSA (open, closed, AI, HC,OS, None)	FSA\$	FSA Participants	Third Party Administrator NAME ADDRESS PHONE NUMBER	Plan Trustee NAME ADDRESS PHONE NUMBER	Plan Custodian NAME ADDRESS PHONE NUMBER

Failed Financial Institution Closing Manual

Interview Guide – FIA Employee

FIN	Bank Name	City, State	Failure Date	Assigned Specialist	Closing EB FM	Insurance Paid Thru

Current Employees

Last Name	First Name	Social Security Number	Date of Birth	Address	City	State	Zip Code

 Failed Financial Institution Closing Manual

Interview Guide – FIA COBRA

FIN	Bank Name	City, State	Failure Date	Assigned Specialist	Closing EB FM	Insurance Paid Thru

 COBRA
 Employees

Last Name	First Name	Social Security Number	Date of Birth	Address	City	State	Zip Code	Type of Health Coverage	Effective Date of COBRA Coverage	# of Eligible Months Remaining

 Failed Financial Institution Closing Manual

Interview Guide – FIA Retirees

FIN	Bank Name	City, State	Failure Date	Assigned Specialist	Closing EB FM	Insurance Paid Thru

Retirees

Last Name	First Name	Social Security Number	Date of Birth	Address	City	State	Zip Code	Type of Health Coverage	Insurance Coverage Paid To Date

Exhibit 9.B: Employee Benefit Plan Documentation Checklist Example

Employee Benefit Plan Documentation Checklist

Name/Location of Institution: _____

FIN #: _____ Date Failed: _____

Checklist completed by: _____ (print name)

Contact HR manager for location of plan files. Retrieve plan documents and records of all plans sponsored by the failed institution regardless of the age of the records or whether the plans are active or terminated. If plan is sponsored by a holding company, copy plan document and last IRS Form 5500 filing; receipt originals to Holding Company Representative.

Qualified Welfare Benefits Plan

Welfare Plans are generally composed of various types of insurance coverage (health, dental, life, etc.) Premiums may or may not be deducted on a pre-tax basis.

Qualified Welfare Benefits Plan

Document	Mail Y/N	Comments and/or reason no document located
Plan Document	*	
Plan Amendments (list each by number)	*	
Plan Reinstatements	*	
Employees' Handbook		
Summary Plan Description	*	
Summary Annual Report		
Participant List		
Annual IRS Form 5500 Filings with Schedules		
IRS Determination Letters	*	

* Send copy of documents to Receivership Benefits via overnight mail.

 Failed Financial Institution Closing Manual

**Defined Contribution Plan
(401(k), ESOP, Profit Sharing)**

Document	Mail Y/N	Comments and/or reason no document located
Plan Document	*	
Plan Amendments	*	
Plan Reinstatements	*	
Summary Plan Description	*	
Summary Annual Report	*	
Trust Agreement with Amendments	*	
Trust Statements		
Employee Census Form		
Participant List		
Annual IRS Form 5500 Filings w/Schedules		
Audit Reports		
Investment Account Statements	*	
Forfeiture Distribution Reports (5 years)		
IRS Form 5310 Application for Determination upon Termination		
IRS Determination Letters (list years)	*	
Plan Participant Loan Files		

* Send copy of documents to Receivership Benefits via overnight mail.

 Failed Financial Institution Closing Manual

Defined Benefit Plan

Document	Mail Y/N	Comments and/or reason no document located
Plan Document	*	
Plan Amendments	*	
Plan Reinstatements	*	
Summary Plan Description	*	
Summary Annual Report		
Trust Agreement with amendments		
Trust Statements		
Investment Account Statements		
Employee Census Form		
Participant List		
Audit Reports		
IRS Determination Letters	*	
PBGC Form 200, Notice of Failure to Make Required Contributions, if applicable		
PBGC form 1 or PBGC Form 1-ES, Annual Premium Payment		
Annual Actuarial Report(s)		
IRS Forms 5500 (with schedules). All filings for previous years		
Forfeiture Distribution Reports (5 years)		

* Send copy of documents to Receivership Benefits via overnight mail.

 Failed Financial Institution Closing Manual

Defined Benefit Plan
(If plan has been or is in the process of being terminated)

Document	Mail Y/N	Comments and/or reason no document located
PBGC Form 500, Standard Termination Notice	*	
PBGC Form 501, Post Distribution Certification of Standard Termination	*	
PBGC Form 600, Distress Termination Notice	*	
PBGC Form 601, Distress Termination Notice of Single Employer Plan Termination	*	
IRS Form Final 5500 with schedules		
IRS Form 5330, Return of Excise Taxes Related to Employee Benefit Plans		
IRS Form 1099-R		
IRS Form 1096, Annual Summary & Transmittal of U.S. Tax Returns		

* Send copy of documents to Receivership Benefits via overnight mail.

 Failed Financial Institution Closing Manual

Other Benefits

Document	Mail Y/N	Comments and/or reason no document located
Medical Insurance Contracts and/or Agreements		
Dental Insurance Contracts and/or Agreements		
Life Insurance Contracts and/or Agreements		
Vision Insurance Contracts and/or Agreements		
Legal Services Contract and/or Agreement		

Location of Other Records

Document	Mail Y/N	Comments and/or reason no document located
Payroll Register (5 years)		
Personnel Files		
Payments to Custodian/Trustee		

Exhibit 9.C: Meeting Information Sheet and Q&A

Employee Meeting Benefit Information Sheet

Bank Name

City, State

The following information has been obtained from the Bank's records and has not been verified with the providers.

Insurance

Your existing insurance plans provide continuous coverage through the dates listed below:

Provider – Medical (including Vision) – paid through MM/DD/YY

Provider – Dental – paid through MM/DD/YY

Provider – LTD, STD and Life – paid through MM/DD/YY

Provider – FSA – claims to be submitted through MM/DD/YY

FIA coverage (COBRA equivalent) offered by the FDIC as Receiver will be available effective MM/DD/YY. Enrollment packets explaining coverage and premiums will be mailed to employee's home address.

Please note any person who is 65 years of age or older and eligible for Medicare is not eligible to enroll in the FIA Health Insurance Continuation Coverage. If, after electing FIA Health Insurance Continuation Coverage, a qualified beneficiary becomes eligible for Medicare, coverage will terminate on the date of Medicare eligibility.

401(k) Plan

Sample Bank Section 401(k) Profit Sharing Plan is sponsored and administered by Sample Bank. The bank is the plan custodian/record keeper. Based upon this information, FDIC will assume the responsibility of Plan Sponsor. If you have questions regarding your investments, please contact provider at 1-800-XXX-XXXX.

What's Next

You will receive a Health, Life and Retirement Information Booklet from the FDIC at your email address. Upon request, booklets will be sent via US mail. This booklet will provide more detail regarding how the bank closing affects your benefits.

If you have questions regarding your benefits, please contact: Specialist 1-800-568-9161 extension XXXX.

**Employee Question and Answer Guide for
Bank
Customer Service Contact Number
(800) 568-9161**

**Employee Benefits Contacts:
Specialist – (972) 761-xxxx**

**The following information has been obtained from the Bank's records and has not
been verified with the providers.**

On (closing date), Bank, city, state was closed by the (closing authority). Under the laws of the United States, the Receiver is charged with the duty of winding up the affairs of the former Institution.

1. What happens now that the bank has closed? Do I still have the insurance coverage that I previously received through the bank?

Medical – provider name coverage through MM/DD/YY
Dental – provider name coverage through MM/DD/YY
Vision – provider name coverage through MM/DD/YY
Prescription Drug – provider name coverage through MM/DD/YY
Life, LTD & AD&D – provider name coverage through MM/DD/YY

2. I am a former employee/retiree of the closed bank. What happens to my insurance coverage (COBRA)?

Health insurance benefits for former employees will end on (coverage through MM/DD/YY). Any entitlement to COBRA coverage ends when the bank's health policy ends. However, under the FDIC Improvement Act (FIA) the FDIC will offer alternative health care coverage known as FIA Health Insurance Continuation Coverage, available for purchase by eligible former employees, retirees, dependents and COBRA participants.

The FDIC's FIA plan administrator, Employee Benefit Management Services (EBMS), will send enrollment material along with booklets explaining coverage and premiums to the eligible individuals. Individuals have 60 days from the date of the EBMS letter to enroll in the program. They have 45 days from enrollment to pay the premiums. Premiums are paid beginning with the effective date and must be paid before any claim will be paid. The coverage is available for up to a maximum of 18 months. Employees will pay \$590.00 for individual and \$1,113.00 for family coverage.

Under the American Recovery and Reinvestment Act (ARRA), the federal subsidy is available in general for those who qualify based on income requirements and have no other options for insurance (such as a spouses plan). This subsidy of the FIA premium will apply for the first nine months of coverage. The premium for the remaining nine months will be paid 100% by the employee.



3. The former bank offered vision and dental care plans to employees. Will we be offered continuation coverage of these plans?

Yes, the FDIC will be offering dental and vision coverage as a part of the FIA plan. Dental and Vision coverage will be made available to qualifying *participants* that lost coverage as a result of the financial institution's closing. Participants may select the plans in which to enroll, and are not required to enroll in any or all. **Selections available are based on the plans in which they were enrolled when the financial institution closed.**

Dental Premiums are as follows: Single \$52 per month, Family \$151 per month
Vision Premiums are as follows: Single \$11 per month, Family \$26 per month

If applicable, EBMS will include information regarding Dental and/or Vision coverage in the enrollment material along with booklets explaining coverage and premiums to the eligible individuals.

4. Will I receive vacation pay?

Sample Bank employees will be paid (list the type of leave as determined by RIC or paid prior to closing).

5. I currently have a Flexible Spending Account (FSA) with funds that I have contributed.

The flexible spending plan is sponsored by Sample Bank and administered by provider. This plan will be terminated, however claims for services provided through (closing date) will be reimbursed through the plan up to your contribution commitment. Claims for services provided up to 60 days after the date bank closed, will be reimbursed up to the amount of your contribution amount up to the date of bank closing less any previous claim payments.

6. What about my life insurance policy? Do I still have coverage?

Failed Financial Institution Closing Manual

The FDIC/R is not required, by law, to continue any life insurance coverage you may have had through the closed financial institution, nor does the FDIC/R offer continuation life insurance coverage. The financial institution's group life insurance policy was paid through (pay through date).

If you are interested in life insurance coverage, immediately contact the carrier for your group policy to obtain information on conversion rights to an individual policy. The group life insurer will normally require the conversion process be initiated and the initial premium paid within 30 days of the cessation of the prior group coverage.

7. I want to find medical insurance elsewhere but am concerned about a break in coverage. Who do I contact to obtain a Certificate of Creditable Coverage?

Contact (provider name), two weeks prior to the expiration of your current coverage. The toll free number should be on the back of your insurance card.

8. What happens to my retirement plan?

The final contribution to the Sample Bank 401(k) Profit Sharing Plan will be deducted from the final Sample Bank payroll. The Sample Bank 401(k) Profit Sharing Plan is sponsored by Sample Bancshares Inc., (holding company) and administered by (provider). Based upon this information, FDIC will not assume the responsibility of plan Sponsor. If you have questions regarding your plan, please contact provider name and number.

* The final contribution to the Sample Bank 401(k) Profit Sharing Plan will be deducted from the final Sample Bank payroll. The Sample Bank 401(k) Profit Sharing Plan is sponsored by Sample Bank and administered by (provider). Based upon this information, FDIC will assume the responsibility of plan Sponsor. If you have questions regarding your plan, please contact provider name and number

*The final contribution to the Sample Bank 401(k) Profit Sharing Plan will be deducted from the final Sample Bank payroll. The Sample Bank 401(k) Profit Sharing Plan is sponsored by XYZ Corporation, (Multiple employer plan) and administered by (provider). Based upon this information, FDIC will not assume the responsibility of plan Sponsor. If you have questions regarding your plan, please contact provider name and number

9. I am a retiree of the closed bank. What happens to my insurance coverage?

Health insurance and life insurance benefits for former employees, retirees and other beneficiaries will cease when the current policies expire on (pay through MM/DD/YY). When the policies expire, you may be eligible for the continuation coverage offered by the FDIC. Soon, you will receive at your home address a booklet that provides the eligibility requirements. You will be responsible for completing the required enrollment forms and paying the applicable premiums for these benefits.

Any person who is 65 years of age or older and eligible for Medicare is not eligible to enroll in the FIA Health Insurance Continuation Coverage. If, after electing FIA Health Insurance Continuation Coverage, a qualified beneficiary becomes eligible for Medicare, coverage will terminate on the date of Medicare eligibility

10. I have a prescription I need to have renewed. May I continue to use my prescription card?

Your current prescription card issued by provider will expire on MM/DD/YY.

Exhibit 9.D: Plan Notices

Closing Notice to Supplemental Insurance Company



Federal Deposit Insurance Corporation
1601 Bryan Street, Dallas, TX 75201

Division of Resolutions and Receiverships

DATE

Name of Provider
Street Address
City, State Zip

SUBJECT: FIN # - Bank Name
City, State - In Receivership
Supplemental Insurance
Policy #

To Whom It May Concern:

On DATE, the BANK (the "Institution") located at City, State, was closed by the Chartering Authority and the Federal Deposit Insurance Corporation was appointed as Receiver of the institution (the "Receiver"). Among the duties of the Receiver is the termination of the employee benefit plans sponsored by the institution. A copy of the order of appointment is enclosed for your files.

Information within the former institution's health insurance files indicate that your organization was the issuer of insurance for which premiums were paid by the financial institution. Additionally, records indicate that the premiums have been prepaid through Date Policy Paid Through.

This letter notifies you that the Receiver is not required by law to continue the medical insurance coverage of the former financial institution. You are instructed to (1) honor any policy coverage term prepaid by the financial institution, and (2) to continue to process claims for participants covered by the prepaid coverage as of the date the bank went into receivership until such time as the prepaid insurance coverage expires.

Failed Financial Institution Closing Manual

If you provided premium-based health care coverage to the financial institution, the Receiver requests that you immediately offer all affected participants and retirees any available insurance conversion rights.

Please provide the following information in writing within 48 hours of the receipt of this letter:

1. The prepaid term date of the policy/contract.
2. List of the names and the addresses of current covered participants.

We are also requesting a change of address for the former institution. The information requested above and all future correspondence should be sent to:

FDIC for Bank Name
Attn: Receivership Benefits Specialist, Mail Stop 33.1
1601 Bryan Street
Dallas, Texas 75201

Should you have questions or require additional information, I can be reached at:

Phone number:
E-mail:

Sincerely,

Name
Resolutions and Receiverships Specialist

 Failed Financial Institution Closing Manual

Closing Notice to Premium Based Health Insurance Company



Federal Deposit Insurance Corporation
 1601 Bryan Street, Dallas, TX 75201

Division of Resolutions and Receiverships

Date

Name of Company
 Address
 City, State Zip

SUBJECT: FIN# - Bank Name
 City, State - In Receivership
 Medical Insurance
 Policy #

To Whom It May Concern:

On DATE, the BANK (the “Institution”) located at City, State, was closed by the Chartering Authority and the Federal Deposit Insurance Corporation was appointed as Receiver of the institution (the “Receiver”). Among the duties of the Receiver is the termination of the employee benefit plans sponsored by the institution. A copy of the order of appointment is enclosed for your files.

Information within the former institution’s health insurance files indicate that your organization is a provider of medical insurance , (Group No.) for which premiums were paid by the financial institution. Additionally, records indicate that the premiums and administrative costs have been prepaid through (Insurance Paid through Date/approved by RIC).

You are instructed to (1) honor any policy coverage term prepaid by the financial institution, and (2) to continue to process claims for participants covered by the prepaid coverage as of the date the bank went into receivership until such time as the prepaid insurance coverage expires and (3) immediately offer all affected participants and retirees any available insurance conversion rights.

The Receiver is the new Plan Administrator. For purposes of administering the Plan, please provide the following information in writing within 48 hours of the receipt of this letter:

Failed Financial Institution Closing Manual

1. The prepaid term remaining on the policy/contract
2. Listing of the names and the addresses of current covered participants including any COBRA participants

We are also requesting a change of address for the former institution. The information requested above and all future correspondence should be sent to:

FDIC for Bank
Attn: Receivership Benefits Specialist, Mail Stop 33.1
1601 Bryan Street
Dallas, Texas 75201

Should you have questions or require additional information, I can be reached at:

Phone number:
E-mail:

Sincerely,

Name
Resolutions and Receiverships Specialist

 Failed Financial Institution Closing Manual

Closing Notice to TPA of Self Funded Plans



Federal Deposit Insurance Corporation
 1601 Bryan Street, Dallas, TX 75201

Division of Resolutions and Receiverships

Date

Name of Company
 Address
 City, State Zip

SUBJECT: FIN# - Bank Name
 City, State - In Receivership
 Self Funded Plan
 Policy #

To Whom It May Concern:

On DATE, the BANK (the “Institution”) located at City, State, was closed by the Chartering Authority and the Federal Deposit Insurance Corporation was appointed as Receiver of the institution (the “Receiver”). Among the duties of the Receiver is the termination of the employee benefit plans sponsored by the institution. A copy of the order of appointment is enclosed for your files.

Information within the former institution’s health insurance files indicate that your organization was the independent third-party administrator of health insurance, (Group No.).

Participants have been advised that insurance terminated on _____ date. We request that you continue to administer their claims incurred through _____ date for a run out period of 90 days. Participants have been notified that it is their responsibility to notify their service providers that claims submitted after _____ run out date will not be paid. Administrative expenses incurred after the date of closing will be honored by the Receiver.

The Receiver is the new Plan Sponsor. For purposes of administering the Plan, please provide the following information in writing within 48 hours of the receipt of this letter:

Failed Financial Institution Closing Manual

Listing of the names and the addresses of current covered participants including any COBRA participants

We are also requesting a change of address for the former institution. The information requested above and all future correspondence should be sent to:

FDIC for Bank
Attn: Receivership Benefits Specialist, Mail Stop 33.1
1601 Bryan Street
Dallas, Texas 75201

Should you have questions or require additional information, I can be reached at:

Phone number:
E-mail:

Sincerely,

Name
Resolutions and Receiverships Specialist

Failed Financial Institution Closing Manual

Closing Notice to Plan Administrator - COBRA



Federal Deposit Insurance Corporation
1601 Bryan Street, Dallas, TX 75201

Division of Resolutions and Receiverships

Date

Administrator Name
Street Address
City, State Zip

SUBJECT: FIN# - Bank Name
City, State - In Receivership
COBRA Administration

To Whom It May Concern:

On DATE, the BANK (the "Institution") located at City, State, was closed by the Chartering Authority and the Federal Deposit Insurance Corporation was appointed as Receiver of the institution (the "Receiver"). Among the duties of the Receiver is the termination of the employee benefit plans sponsored by the institution. A copy of the order of appointment is enclosed for your files.

Information within the failed institution's health insurance files indicate that your organization provided COBRA administration services to the failed institution. This notice is to advise you that the current group medical coverage with Name of Insurance Company will end on Prepaid Date.

Please provide the following information:

- 1) List of the names and the addresses of current COBRA participants,
- 2) Information regarding the participant's coverage effective date and paid through date,
- 3) Copy of your contract with the failed institution, and
- 4) Copy of the current fee schedule

Failed Financial Institution Closing Manual

Your company administrative expenses incurred after the date of closing will be honored by the Receiver.

We are also requesting a change of address for the failed institution. The information requested above and all future correspondence should be sent to:

FDIC for Bank Name
Attn: Receivership Benefits Specialist,
Mail Stop 33.1
1601 Bryan Street
Dallas, Texas 75201

Should you have questions or require additional information, I can be reached at:

Phone number:
E-mail:

Sincerely,

Name
Resolutions and Receivership Specialist

 Failed Financial Institution Closing Manual

**Closing Notice to Plan Administrator – Flex, ESOP, DB, Custodians, Record Keepers,
TPA’S, Trustee, PBGC, Holding Company,**



Federal Deposit Insurance Corporation
1601 Bryan Street, Dallas, TX 75201

Division of Resolutions and Receiverships

Date

Administrator Name
Address
City State Zip

SUBJECT: FIN# - Bank Name
City, State – In Receivership
Notice to Third Party Administrator
Name of Plan

To Whom It May Concern:

On DATE, the BANK (the “Institution”) located at City, State, was closed by the Chartering Authority and the Federal Deposit Insurance Corporation was appointed as Receiver of the institution (the “Receiver”). Among the duties of the Receiver is the termination of the employee benefit plans sponsored by the institution. A copy of the order of appointment is enclosed for your files

According to the failed institution’s records, it sponsored or participated in one or more employee benefit plans for which you were a third party administrator or custodian. You are advised that the institution has been closed and that all of the employees have been terminated. The Receiver is in the process of terminating the Plan and all contributions to the plan have ceased.

A copy of the resolution by the Receiver indicating cessation of benefit accruals and our intention to terminate the plan will be forth coming. The resolution also appoints the Receiver as Plan Sponsor, Plan Administrator and Plan Trustee. The following individuals may sign any document that requires execution by the Receiver in its capacity as Administrator, Sponsor or Trustee:

Please provide the Receiver with the following information:

Failed Financial Institution Closing Manual

1. Names and addresses of plan participants
2. Copy of your contract with the failed institution
3. Copy of the current fee schedule
4. Whether the plan has a claim for any unpaid plan contributions
5. Schedule as of Closing Date indicating each employee's elected annual contribution for health reimbursement, actual amount of contribution, and claims paid for the current and previous plan year
6. Schedule as of Closing Date indicating each employee's elected annual contribution for dependent care reimbursement, actual amount of contribution, and claims paid for the current and previous plan year

We are also requesting a change of address for the closed institution. The information requested above and all future correspondence should be sent to:

FDIC for Bank Name
Attn: Receivership Benefits Specialist, Mail Stop 33.1
1601 Bryan Street
Dallas, Texas 75201

Should you have questions or require additional information, I can be reached at:

Phone number:

E-mail:

Sincerely,

Name
Resolutions and Receivership Specialist

Exhibit 9.E: Case and Resolutions

DATE: Date

MEMORANDUM TO: Assistant Director
Assistant Director Claims Administration

THROUGH: Manager
Resolutions and Closings Manager

FROM: Specialist
Resolutions and Receiverships Specialist

SUBJECT: FIN# – Bank Name
City, State – In Receivership
Plan Names ex Closed Financial Institution 401(K) Plan
Closed Financial Institution Flexible Benefits Account Plan

PROPOSAL: Authority is requested to:

Appoint the Federal Deposit Insurance Corporation as Receiver for Closed Financial Institution Name as the Plan Sponsor, Plan Administrator and Plan Trustee (**only if the Financial Institution or Financial Institution employee was the Trustee**) for the subject plans.

1. Terminate the subject plans.
2. Execute the necessary resolutions to effect appointment of the Receiver and to terminate the subject plans.

RECOMMENDATION: To act as stated in the proposal.

Specialist Date
Resolutions and Receiverships Specialist

Manager Date
Resolutions and Closings Manager

Approved under Delegated Authority B (34)

Assistant Director Date
Assistant Director Claims Administration

DISCUSSION:

On closing date, Institution Name, located at City, State, was closed by the Name of Regulatory agency and the Federal Deposit Insurance Corporation was appointed Receiver of the Closed institution. The Closed institution was the Sponsor and Administrator and Trustee of the Name of Plan(s).

Appointment as Plan Sponsor and Plan Administrator provides the Receiver with the ERISA authority to terminate the benefit plans. In the event that former employees or a controlled group were Plan Trustees, the appointment of the Receiver as Plan Trustee is to preserve the plan assets for ultimate distribution to plan participants and beneficiaries.

The Resolutions provide the mechanism by which parties are advised of the appointment of the Receiver to the ERISA fiduciary roles. No additional benefits shall accrue under the Plan, and no further compensation or service shall be taken into account under the Plan after **[Closing Date of the Financial Institution]** or such later date as may be required by Section 204(h) of the Employee Retirement Income Security Act of 1974, as amended; provided however, that nothing shall be construed as providing for benefit accrual after any earlier freeze date under the Plan.

JUSTIFICATION:

It is the policy of the FDIC to terminate the closed institution employee benefit plans and to distribute plan assets to the plan participants. The appointment of the Receiver as Sponsor, Administrator, and Trustee (if applicable) is the necessary first step in the termination process.

Failed Financial Institution Closing Manual

**Resolutions of the Federal Deposit Insurance Corporation,
Receiver for [Failed Institution Name]**

The Federal Deposit Insurance Corporation, in its capacity as Receiver for **[Failed Institution Name]** (the “Receiver”), hereby adopts the following resolutions to be effective in the same manner and to the same extent as resolutions adopted by the Board of Directors of **[Failed Institution Name]** (the “Financial Institution”).

WHEREAS, effective **[insert effective date of plan]**, the Financial Institution adopted a plan entitled the **[insert name of plan]** (the “Plan”); and

WHEREAS, on **[Closing Date of Financial Institution]**, the Federal Deposit Insurance Corporation was appointed Receiver for the Financial Institution and succeeded to the rights, titles, powers and privileges of the Financial Institution, including, but not limited to, sponsorship of the Plan and the power to terminate the Plan.

NOW, THEREFORE, BE IT RESOLVED, that the plan administrator and named fiduciary is hereby removed, effective immediately, and the Receiver is hereby appointed plan administrator and named fiduciary of the Plan;

BE IT RESOLVED, that any individual or committee of individuals appointed under the terms of the Plan to serve as investment fiduciary is or are hereby removed, effective immediately, and the Receiver is hereby appointed investment fiduciary under the terms of the Plan;

[INSERT THE FOLLOWING RESOLUTION IF FDIC WANTS TO REMOVE INDIVIDUAL(S) CURRENTLY SERVING AS TRUSTEE(S)]:

BE IT FURTHER RESOLVED, if the current trustee of the trust established for purposes of the Plan is an individual or individuals, such individual is or individuals are hereby removed, effective _____, in accordance with the terms of the applicable trust agreement, and the Receiver is hereby appointed successor trustee of the trust established for purposes of the Plan;

BE IT FURTHER RESOLVED, that effective as of **[Closing Date of Financial Institution]**, those individuals appearing on the attached Authorized Signers document dated **[insert date of Authorized Signers document]** are hereby authorized, acting either jointly or severally, to sign any appropriate document and to issue any appropriate

Failed Financial Institution Closing Manual

instruction to service providers on behalf of the Receiver in any of its capacities with respect to the Plan; and

BE IT FURTHER RESOLVED, that no additional benefits shall accrue under the Plan, and no further compensation or service shall be taken into account under the Plan after **[Closing Date of the Financial Institution]** or such later date as may be required by Section 204(h) of the Employee Retirement Income Security Act of 1974, as amended; provided however, that nothing in these Resolutions shall be construed as providing for benefit accrual after any earlier freeze date under the Plan.

By: _____

Date: _____

Assistant Director
Assistant Director Claims Administration
Federal Deposit Insurance Corporation

Exhibit 9.F: Service Provider Information Sheet

Service Provider Information Sheet

FIN# and Institution Name _____

Name of Benefit Plan
Associated with Service Provider _____

Type of Service Provided
(Administration, Trustee, Accounting, _____
Legal Counsel, Etc.)

Contract Number _____

Name of Service Provider _____

Address of Service Provider _____

Service Provider Contact Name _____

Contact Phone Number (if no contact name,
provide the Customer Service Phone Number) _____

Contact FAX Number _____

FAX completed form to Receivership Benefits (972) 761-2165

 Failed Financial Institution Closing Manual

SERcVICE PROVIDER INFORMATION SHEET

Institution Number and Name	
Name of Benefit Plan Associated with Service Provider	
Type of Service Provided (Administration, Trustee, Accounting, Legal Counsel, Etc.)	
Contract Number	
Name of Service Provider	
Address of Service Provider	
Service Provider Contact Name	
Contact Phone Number (if no contact name, provide the Customer Service Phone Number)	
Contact FAX Number	

FAX completed forms to Receivership Benefits (972) 761-2165

Failed Financial Institution Closing Manual - Section 10

Proforma Manager

Contents

This section contains the following information on Proforma Manager:

	Topic Title	
<u>Overview</u>		10-2
<u>Closing Task Checklist</u>		10-3
<u>Subsection: 10.1 - Pre-Closing Preparation</u>		10-4
<u>Subsection: 10.2 - Closing Activities</u>		10-5
<u>Subsection: 10.3 - Exit Memorandum and Checklist to the Closing Manager</u>		10-7
<u>Section 10: Exhibits</u>		10-8

Overview

Proforma's primary focus is to produce a balance sheet that reflects a reasonably accurate financial statement of the failed institution through the date of closing.

The Proforma Team reviews, confirms, and adjusts (if necessary) the failed institution's general ledger balance sheet accounts through the date of closing. In accordance with the requirements of the governing Purchase and Assumption Agreement, the assets and liabilities from this set of financial statements are divided between the Receivership and the Acquirer(s) pursuant to the P&A.

The Proforma Team consists of the Financial Manager, Proforma Team Leader, Proforma support staff, and the Tax Specialist. The tables following provide an overview of the responsibilities of the various members of the Proforma Team. However the exact duties may vary according to the requirements of the specific institution. For a detailed discussion of the tasks performed by the Proforma team, see the Proforma Training Manual.

 Failed Financial Institution Closing Manual

Closing Task Checklist

Institution: _____ **FIN:** _____

Section 10: Proforma Manager

Closing Task Checklist

Assigned To: _____

Sub section:	Completed:	Description:
10.1		<u>Pre-Closing Preparation</u>
10.2		<u>Closing Activities</u>
10.3		<u>Exit Memorandum and Checklist to the Closing Manager</u>

Sign-Off: _____ **Date:** _____

Return all completed and signed task lists to the Closing Manager.

Failed Financial Institution Closing Manual

Pre-Closing Preparation

Institution: _____ **FIN:** _____

Section 10: Proforma Manager

Subsection 10.1: Pre-Closing Preparation

Assigned To: _____

Task:	Completed:	Description:
A		Attend all pre-closing manager and staff meetings.
B		Develop the appropriate section of the Strategic Resolution Plan and provide to the Receiver-in-Charge.

Sign-Off: _____ **Date:** _____

Return all completed and signed task lists to the Closing Manager.

 Failed Financial Institution Closing Manual

Closing Activities

Institution: _____ **FIN:** _____

Section 10: Proforma Manager

Subsection 10.2: Closing Activities

Assigned To: _____

Task	Completed	Description
Financial Manager		
A		Manage and direct the Proforma process.
B		Coordinate the Proforma process in conjunction with the activities of the entire closing team.
C		Closing night, in order to foster an effective working relationship with the former institution's accounting staff, conduct a meeting with the most senior accounting staffer (i.e., CFO, Controller, Accounting Manager, or Head Cashier), including their respective staff, and invite Claims, Settlement, BIS, ORE, and any other interested closing function. This will, among other benefits, facilitate the generation of accounting reports to all members of the closing team.
D		Attend all daily Functional Managers' meetings.
E		Present the Proforma Financial Statements to the Assuming Institution during the closing meeting, and address any questions to ensure an understanding of adjustments and opening entries.
Proforma Team Leader		
F		Direct the Proforma team processes and activities necessary to produce an adjusted Statement of Condition (balance sheet) of the failed institution.

Failed Financial Institution Closing Manual

Task	Completed	Description
G		Ensure that opening entries are made on FIMS/CTM to establish the failed institution balances on FDIC records. Additionally, the Proforma Manager oversees the preparation of the various closing binders.
Proforma Support		
H		Under the supervision of the Proforma Manager, review, reconcile, confirm, and adjust each balance sheet account through the date of closing. Obtain documentation to reasonably support general ledger balances.

Failed Financial Institution Closing Manual

Tax Specialist

- I Obtain information necessary to fulfill the tax reporting responsibilities remaining with the Receivership, and discuss any tax reporting responsibilities that extend to the Assuming Institution as outlined in the Purchase and Assumption Agreement.
- J Assist the Proforma team by reviewing and analyzing tax related accounts on the books of the failed institution, such as deferred taxes, taxes payable, tax refunds receivable, tax deposits payable, and the equity accounts.

Privacy Compliance

- K Ensure that PII/SI is secured and encrypted at all times.
 - L Ensure PII/SI content on SharePoint, thumb drives, laptops, and e-mails is handled in compliance with FDIC Directives and Policy.
 - M Confirm closing team members have executed all assigned tasks and have properly disposed of PII/SI in their possession.
 - N Review completed tasks and confirm PII/SI compliance in accordance with FDIC Directives and Policy.
-

Exit Memorandum and Checklist to the Closing Manager

Institution: _____ **FIN:** _____

Section 10: Proforma Manager

Subsection 10.3: Exit Memorandum and Checklist to the Closing Manager

Assigned To: _____

Task: Completed:	Description:
A	Ensure that all checklists and noted exhibits are submitted.
B	Provide applicable documents to the Closing Manager for the Inventory Book of Assets and Liabilities.
C	Prepare an Exit Memorandum to the Closing Manager in accordance to Exhibit 2.C: Exit Memorandum to the Closing Manager. Include the following: <ol style="list-style-type: none"> 1. Closing assignment 2. Description of tasks performed 3. Unresolved issues 4. Suggestions or problems encountered 5. General comments (if any)

Sign-Off: _____ **Date:** _____

Return all completed and signed task lists to the Closing Manager.

Section 10: Exhibits

List of Exhibits

Exhibit 2.C: Exit Memorandum to the Closing Manager

Failed Financial Institution Closing Manual - Section 11

Personnel/Payroll Manager

Contents

This section contains the following information on Personnel/Payroll Manager:

Topic Title	
Overview 11-2	
Closing Task Checklist	11-3
Subsection: 11.1 - Pre-Closing Preparation	11-4
Subsection: 11.2 - Closing Activities	11-7
Subsection: 11.3 - Institution Employee Information	11-10
Subsection: 11.4 - Institution Employee Records	11-11
Subsection: 11.5 - Exit Memorandum and Checklist to the Closing Manager	11-12
Section 11: Exhibits	11-13

Overview

In general, the Personnel/Payroll Manager is responsible for the oversight of various Personnel/Payroll-related activities and issues. This section will serve as a liaison between the Assuming Institution, the Receiver-in-Charge, the Closing Manager, the PCAM, and Settlement to 1) facilitate communications to closed institution employees, 2) assist with the organization and approval of timesheets for the former institution employees to ensure that the contractor's payroll is accurately processed, 3) coordinate the designation of all closed institution personnel, 4) secure, inventory, evaluate, and transfer former institution Personnel/Payroll records, and 5) transition to post closing parties ensuring contracts, protocols and processes are in place to manage and settle Personnel/Payroll concerns until such time that the Assuming Institution assumes the remaining personnel/associated liabilities or the Receivership is closed. Inquiries pertaining to employees post-Receivership are appropriately addressed by the FDIC contracted temporary payroll provider or Customer Service.

This section may also assist the Financial Manager and/or Tax Specialist in processing the bank's final payroll, to ensure that all necessary information is obtained to properly report the payroll activity to the appropriate state and federal taxing authorities. The closed institution's payroll may be generated on proprietary systems or via an outsourced provider. Three options for payment are as follows: 1) pay at closing, 2) accrue the liability and pass it to the Assuming Institution through Proforma, or 3) fund final institution payroll through Settlement.

The responsibility listed in this section is strictly a closing function and not an ongoing personnel function. The Receiver-in-Charge should make a determination as soon as possible as to the employment needs of the Receivership, including any phased utilization schedule and/or retention mechanisms for essential personnel. Essential personnel may include the closed bank employees who manage critical IT, HR, and asset functions.

Any post closing personnel function should be managed under the payroll task order and monitored by any onsite FDIC manager or as designated by the RIC.

 Failed Financial Institution Closing Manual

Closing Task Checklist

Institution: _____ **FIN:** _____

Section 11: Personnel/Payroll Manager

Closing Task Checklist

Assigned To: _____

Sub section:	Completed:	Description:
11.1		<u>Pre-Closing Preparation</u>
11.2		<u>Closing Activities</u>
11.3		<u>Institution Employee Information</u>
11.4		<u>Institution Employee Records</u>
11.5		<u>Exit Memorandum and Checklist to the Closing Manager</u>

Sign-Off: _____ **Date:** _____

Return all completed and signed task lists to the Closing Manager.

 Failed Financial Institution Closing Manual

Pre-Closing Preparation

Institution: _____ **FIN:** _____

Section 11: Personnel/Payroll Manager

Subsection 11.1: Pre-Closing Preparation

Assigned To: _____

Task: Completed:	Description:
A	Obtain access to the project SharePoint site with PII from the Closing Manager.
B	Attend all pre-closing manager and staff meetings.
C	Develop the appropriate section of the Strategic Resolution Plan and provide to the Receiver-in-Charge.
D	Obtain a current list of active employees at the financial institution, by location, that includes title/position/salary.
E	Identify the financial institution's payroll solution to determine whether it is proprietary/legacy in-house solution or outsourced vendor relationship. If the closed financial institution payroll is outsourced, obtain and review a copy of the current legal agreement (contract) and a legal opinion if necessary.
F	Identify the institution's existing payroll schedule.
G	Prepare daily employee sign in/out sheets for the closed financial institution, including employee names, by location. (See Exhibit 11.A: Sign In/Sign Out Sheet for Institution Employees)
H	At the RIC or CM's request provide the template for required institution employees. This would be completed by each of the functional managers if required. (See Exhibit 11.B: Functional Manager's List of Required Institution Employees.)
I	If a dedicated, short-term conference call number is needed for the "All Institution Employee Meetings" place an order with Conferencing Services. The Administrative Assistant can also order a line.
	Note: This number is for exclusive use with Non-FDIC personnel at the specific closing. It will need to be cancelled after the Receivership weekend.

 Failed Financial Institution Closing Manual

Task: Completed:	Description:
J	<p>As soon as the Assuming Institution is known (obtain from Closing Manager), complete the Personnel Waiver and print copies for all institution employees as necessary. If this task may be completed electronically, print copies are not necessary. Retain an electronic copy for the institution HR resource and e-mail a copy to the Branch Manager if applicable.</p>
K	<p>At the Request of the RIC or CM, draft a sample e-mail communicating messaging points for the institution's HR representative to send to all employees on Closing night, following the initial employee meeting.</p> <p>Sample Messaging Points: Employees will be paid (outside of their normal work activity) at 1.5x their hourly pay rate for weekend time worked beginning at Closing. If available, include the expected timeframe in which employees will receive their final paycheck from the former bank and temporary payroll provider.</p> <ul style="list-style-type: none"> • Explain the process and purpose for the FDIC Sign In/Sign Out logs. • Request employees forward the Personnel Waiver and any priority documents that the payroll contractor requires, such as a Confidentiality Agreement, that evening. Provide instructions for how and to whom employees should submit the form. • Provide information regarding the "All Employee" meeting and/or the payroll contractor's strategy to enroll employees. <p>Attach a copy of the Press Release, Personnel Waiver, Employee Information Sheet and any critical payroll contractor forms, such as a Confidentiality Agreement.</p>
L	<p>Meet with a Branch Coordinator (if applicable) to discuss issues relating to Personnel Waiver Forms and Sign In/Sign Out logs.</p>
M	<p>Participate in the Pre-Closing meeting with the Assuming Institution. Hold a sub-group meeting to address the following AI Roles and Responsibilities during Closing weekend:</p> <ul style="list-style-type: none"> • Announcement to employees at Closing. • Timing of any "All Employee" Payroll/Benefits meeting. • Personnel Waiver and process to receipt employee files to the AI. • Access to former institution employees for interviews. • Employee oversight transition on first day of business. • Employee designation, utilization, and settlement.

Failed Financial Institution Closing Manual

Task: Completed:

Description:

N

Meet with the payroll contractor at the Pre-Closing All Team Meeting to review the final enrollment strategy and ensure necessary tools (conference call numbers, fax lines, etc.) are in place.

Sign-Off: _____ **Date:** _____

Return all completed and signed task lists to the Closing Manager.

 Failed Financial Institution Closing Manual

Closing Activities

Institution: _____ **FIN:** _____

Section 11: Personnel/Payroll Manager

Subsection 11.2: Closing Activities

Assigned To: _____

Task: Completed:	Description:
A	At the request of the RIC or CM, communicate the name of released employees to IT to terminate the employee's accesses. Coordinate with Security as needed.
B	Participate in the all employee meeting if possible.
C	Collect the Personnel Waiver forms and if requested hand out and collect Employee Information forms. Paper forms may be filed in the employees' personnel file and copies retained for the closing files, or electronic forms may be provided by e-mail to the AI and retained on a secure drive by the Personnel/Payroll Manager. It is also acceptable to create a mail out in Outlook and request an affirmative response to release personnel files. A log of responses should be provided to the AI. (See Exhibit 11.C: Personnel Waiver Form Example and Exhibit 11.D: Employee Information Form Example)
D	If necessary ensure Sign in/Sign out logs are posted at main entry points with Personnel Waiver, payroll contractor's enrollment packets, and other critical HR forms.
E	Obtain a current roster of employees. Prepare an Active Employee Listing. This list will also be utilized for the Active File Inventory. (See Subsection 11.4: Institution Employee Records and Exhibit 11.E: Active Employee Listing Example)
F	Oversee the notification of absent employees to notify them of the Closing and request that they attend/dial into the All Employee Meeting. Ensure that the payroll contractor enrollment forms, Personnel Waiver and other paperwork is forwarded to the absent employees.
G	Meet with the Financial Manager and/or Tax Specialist and monitor the final payroll activity to ensure that the final institution payroll is completed, and that all necessary information is obtained to properly report the payroll activity to the appropriate state and federal taxing authorities.

 Failed Financial Institution Closing Manual

Task: Completed:**Description:**

Three options for payment are as follows:

1. Pay at closing,
2. Accrue the liability and pass it to the Assuming Institution through Proforma, or
3. Fund final institution payroll through settlement.

- H If institution employees were NOT paid prior to institution closure, at the direction of the RIC, prepare a Pre-Closing Payroll Schedule and Memo to pay the institution personnel through Settlement. (See Exhibit 11.F.: Pre-Closing Payroll Schedule example and Exhibit 11.G: Memo to Pay Institution Employees Example)
- I Attend all daily Functional Managers' meetings.
- J Ensure that PII/SI is secured and encrypted at all times.
- K Ensure PII/SI content on SharePoint, thumb drives, laptops, and e-mails is handled in compliance with FDIC Directives and Policy.
- L Confirm closing team members have executed all assigned tasks and have properly disposed of PII/SI in their possession.
- M Review completed tasks and confirm PII/SI compliance in accordance with FDIC Directives and Policy.

Sign-Off: _____ **Date:** _____

Return all completed and signed task lists to the Closing Manager.

 Failed Financial Institution Closing Manual

Institution Employee Information

Institution: _____ **FIN:** _____

Section 11: Personnel/Payroll Manager

Subsection 11.3: Institution Employee Information

Assigned To: _____

Task: Completed:	Description:
A	Provide the closed institution employee roster or Active Employee Listing to the payroll contractor if applicable.
B	Ensure each closed institution employee is accounted for with respect to retention and utilization related to work such employees perform for the FDIC and/or the Assuming Institution.
C	<p>Identify any temporary and/or contract employees and include these employees in a separate section and indicate the job/function.</p> <p>Determine if such employees perform necessary functions and how they will be compensated. Compensation alternatives include:</p> <ol style="list-style-type: none"> 1. Enroll the employee with the FDIC payroll contractor and repudiate the existing employment agreement. 2. The Receiver can uphold the existing employment agreement and can pay through Settlement.
D	Prepare the institution employee's report of hours (regular and/or overtime) worked utilizing the Weekend Closing Payroll Schedule or some similar schedule. (See Exhibit 11.H: Weekend Closing Payroll Schedule Example) Attach this schedule to a memorandum addressed to the Receiver In Charge (See Exhibit 11.G: Memo to Pay Institution Employees Example). Send a copy to the Settlement Agent. (See Exhibit 11.I: Memorandum – Weekend Closing Payroll)
E	Go into FACTS and create a case shell with B-30 delegation for the payment of the employee Paid Time Off and/or vacation time. Attach the memo (Exhibit 11.J) and a Paid Time Off and/or vacation time Schedule. Assign to Legal for their Concurrence and then the RIC for Approval.
F	The Payroll Functional Manager assigned to the closing should document in their Exit Memorandum the transition of duties for ongoing personnel management. The FDIC point of contact for the Payroll Contract will transition to the PCAM upon the release of the Payroll Functional Manager from the closing. In the absence of the Payroll Contractor the duties associated with ongoing personnel

Failed Financial Institution Closing Manual

matters transfers to the PCAM or in their absence the Receiver In Charge.

- G Obtain a schedule listing employees on leave status, including:
1. Medical
 2. Maternity
 3. Leave with Pay
 4. Long term Disability
 5. Military Duty
- H Prepare a schedule listing temporary employees hired through an outside agency and contractors (1099 employees). See Exhibit 11.K: Pre-Closing Temp Agency Employee Listing for an example.

Sign-Off: _____ **Date:** _____

Return all completed and signed task lists to the Closing Manager.

Failed Financial Institution Closing Manual

Institution Employee Records

Institution: _____ **FIN:** _____

Section 11: Personnel/Payroll Manager

Subsection 11.4: Institution Employee Records

Assigned To: _____

Task: Completed:	Description:
A	Secure the personnel files for active employees.
B	Complete Active Employee Listing by marking the appropriate column "Personnel File Yes/No". (See Exhibit 11.E: Active Employee Listing example)
C	Prepare the "Official Receipt" to release closed institution employee's personnel records to the Assuming Institution after the waiver has been signed. (See Exhibit 2.B: Preparation of Official Receipts)
D	Any Active Employee personnel files not receipted over to the Assuming Institution should be receipted over to Investigations.
E	Verify that absent employees, including those on leave, have received a Personnel Waiver Form. FDIC will retain the folder until the form has been completed and returned by the employee.

Sign-Off: _____ **Date:** _____

Return all completed and signed task lists to the Closing Manager.

Exit Memorandum and Checklist to the Closing Manager

Institution: _____ **FIN:** _____

Section 11: Personnel/Payroll Manager

Subsection 11.5: Exit Memorandum and Checklist to the Closing Manager

Assigned To: _____

Task: Completed:

Description:

- | | |
|---|---|
| A | Ensure that all checklists and noted exhibits are submitted. |
| B | Prepare an Exit Memorandum to the Closing Manager in accordance to Exhibit 2.C: Exit Memorandum to the Closing Manager. Include the following: <ol style="list-style-type: none"> 1. Closing assignment 2. Description of tasks performed 3. Unresolved issues 4. Suggestions or problems encountered 5. General comments (if any) |

Sign-Off: _____ **Date:** _____

Return all completed and signed task lists to the Closing Manager.

Section 11: Exhibits

Exhibits

Exhibit 2.B: Preparation of Official Receipts

Exhibit 2.C: Exit Memorandum to the Closing Manager

Exhibit 11.A: Sign In/Sign Out Sheet for Institution Employees

Exhibit 11.B: Manager's List of Required Institution Employees

Exhibit 11.C: Personnel Waiver Form

Exhibit 11.D: Employee Information Form

Exhibit 11.E: Active Employee Listing example

Exhibit 11.F: Pre-Closing Payroll Schedule example

Exhibit 11.G: Memo to Pay Institution Employees

Exhibit 11.H: Post Closing Payroll Schedule example

Exhibit 11.I: Memorandum – Post Closing Payroll

Exhibit 11.J: FACTS Memo To Pay Institution Employees example

Exhibit 11.K: Pre-Closing Temp Agency Employee Listing example

Exhibit 11.A: Sign In/Sign Out Sheet for Institution Employees

Institution Name		Day
City, State	Institution	
FIN #:	Employees	Date

Name	Initials	Time In	Out (Lunch)	In (Lunch)	Out (Dinner)	In (Dinner)	Out	Reg	O/T	Total Hrs
------	----------	------------	----------------	---------------	-----------------	----------------	-----	-----	-----	--------------

Exhibit 11.B: Manager's List of Required Institution Employees



Federal Deposit Insurance Corporation
1601 Bryan Street, Dallas, TX 75201

Division of Resolutions and Receiverships

Date: _____

Institution Name: _____ Institution #: _____

Manager: _____ (Please Print Legibly)

Below find the listing of institution employees working for:

_____ Team on _____ (Date)

Institution Employee's Name: (Please Print Legibly)

_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

(Manager's Signature)

Exhibit 11.C: Personnel Waiver Form



Federal Deposit Insurance Corporation
1601 Bryan Street, Dallas, TX 75201

Division of Resolutions and Receiverships

Personnel Waiver Form

Receiver of

Institution Name

Institution Address

City, State Zip

Institution Phone Number

The undersigned, a former employee of _____ (the "Institution"), hereby requests the Federal Deposit Insurance Corporation ("FDIC"), as Receiver of the Institution, to release the undersigned's Institution personnel files to _____. The undersigned hereby releases the FDIC, as Receiver for the Institution and in its corporate capacity, from any claim that the undersigned may have arising out of the release of said files to _____.

Dated: _____

(Employee Signature)

(Employee Printed Name)

Exhibit 11.D: Employee Information Form



Federal Deposit Insurance Corporation
1601 Bryan Street, Dallas, TX 75201

Division of Resolutions and Receiverships

Employee Information

Institution Number: _____

Institution Name: _____

Name: _____

Title/Position: _____

Address: _____

Home Phone: _____

**Soc. Sec.
Number:** _____

Emergency Contact:

Name: _____

**Phone
Number:** _____

Exhibit 11.E: Active Employee Listing

Active Employee Listing
Institution Name
FIN #

Name	Address	City, State Zip	SSN	Position Title	Date of Birth	Date of Hire	Personnel File Yes/No	Full or Part Time	Salary and/or Hourly Rate
-------------	----------------	----------------------------	------------	---------------------------	------------------------------	-----------------------------	--------------------------------------	--------------------------------------	--

Exhibit 11.F: Pre-Closing Payroll Schedule

Institution Name **Pre-Closing Payroll Schedule**
City, State **Closing Date:**
FIN # **Payroll beginning 00/00/00 thru 00/00/00**
(Caution: Calculations in spreadsheet - copy formula to all rows applicable if additional rows are added)
Note: All Calculations for spreadsheet can be found in attached document

Employee Name	SSN	Hr. Rate	O/T Rate	Reg. Hrs.	Regular Pay	Paid Holiday Hrs.	Holiday Pay	A/L* Hrs.	A/L Pay	O/T Hrs.	O/T Pay	Premium W/H	Total Gross Pay	Federal W/H	FICA W/H
------------------	-----	-------------	-------------	--------------	----------------	-------------------------	----------------	--------------	------------	-------------	------------	----------------	-----------------------	----------------	-------------

Totals

Exhibit 11.G: Memo to Pay Institution Employees



Federal Deposit Insurance Corporation
1601 Bryan Street, Dallas, TX 75201

Division of Resolutions and Receiverships

Date

To: Receiver-in-Charge

From: Personnel/Payroll Manager

Subject: ##### – Name of Institution
City, State – In Receivership
**Payment of Failed Bank
Employees through Settlement**

Proposal:

1. Request that the Assuming Institution fund and process the total payroll in the amount of \$_____ for the failed bank employees hours worked from _____, 20__ through _____, 20__.
2. Allow an increase in the amount for the Employer matching portion of the Federal and State Withholding Payroll Taxes unknown at this time. Said amount will be supplied by the Assuming Bank (Name of Assuming Institution) once the payroll has been processed.
3. Reimburse the (Name of Assuming Institution) for total amount through the Settlement process.

Failed Financial Institution Closing Manual

Date

(NAME) , Personnel/Payroll Manager

Approved Under Delegated Authority B-30:

Date

(NAME) , Receiver-In-Charge

cc: Settlement Agent

Memo-Bk Emp Pymt through Settlement

Exhibit 11.H: Post Closing Payroll Schedule

(Name of Institution) - Overtime Worked

Employee Name	SSN	Hr. Rate Amount	Overtime Rate	(Date) Friday Hrs OT Worked	(Date) Friday \$OT	(Date) Saturday Hrs OT Worked	(Date) Saturday \$OT	(Date) Sunday Hrs OT Worked	(Date) Sunday \$OT	(Date) Monday Hrs OT Worked	(Date) Monday \$OT	Total OT Hrs Worked
---------------	-----	--------------------	------------------	---	--------------------------	---	----------------------------	---	--------------------------	---	--------------------------	---------------------------

Totals

Exhibit 11.I: Memorandum - Post Closing Payroll



Federal Deposit Insurance Corporation
1601 Bryan Street, Dallas, TX 75201

Division of Resolutions and Receiverships

Date: (Date)

To: (Name)
Receiver In Charge

From: (Name)
Personnel/Payroll Manager

Subject: ####, (Institution Name)
City, State – In Receivership
Post Closing Payroll

The Assuming Institution will pay gross salaries for the former bank employees who participated in the receivership function and the FDIC will reimburse the Assuming Institution as a settlement item. Attached is the schedule of the post closing payroll and will be presented by settlements in a case for _____, RIC, to approve. The amount due to the Assuming Institution is \$ _____.

cc: Settlement Agent
(Name), CM

**Exhibit 11.J: FACTS Memo to Pay Institution Employees
PTO AND/OR Vacation**



Federal Deposit Insurance Corporation
1601 Bryan Street, Dallas, TX 75201

Division of Resolutions and Receiverships

To: Receiver-in -Charge

From: Payroll Specialist

Subject: XXXXXX – X Bank
X City, X State – In Receivership
Payment of Closed Bank Employee’ Paid Time Off

Proposal: Authorize _____ to pay \$xxx,xxx.xx for the former X Bank employees’ accrued unused PTO.

1. Authorize _____ to pay the actual PTO on a prorated basis not to exceed 80 hours up to bank closing which totals x,xxx.xx hours for \$xxx,xxx.oo.
2. Authorize _____ to pay the employer matching portion of the Federal Payroll Taxes and State Unemployment Taxes for the item #1 above, unknown at this time.

Payroll Specialist Date

Concurred:

Legal Date

Approved under Delegated Authority B-30

Receiver -In-Charge Date

Exhibit 11:K Pre-Closing Temp Agency Employee Listing

Pre-Closing Temp Agency Employee Listing
Institution Name
FIN #

Employee Name	Assigned Department	Agency Name	Agency Address	City, State Zip	Agency Telephone Number	Agency Contact
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Exhibit 11.L: Inventory of Terminated Employee Files



Federal Deposit Insurance Corporation
1601 Bryan Street, Dallas, TX 75201

Division of Resolutions and Receiverships

(Name of Institution)
Inventory of Terminated Employee Files

Employee Name

Exhibit 11.M: Memorandum to Investigations



Federal Deposit Insurance Corporation
1601 Bryan Street, Dallas, TX 75201

Division of Resolutions and Receiverships

Date: (Date)

To: (Name)
Manager - Investigations

From: (Name)
Personnel/Payroll Manager

Subject: ####, Name of Institution
City, State – In Receivership
Terminated Institution Employee Personnel Files

Attached is an inventory of the terminated employee files. I am hereby receipting them over to Investigations.

Personnel/Payroll Manager
(Name)

Date

Investigations Manager
(Name)

Date

Failed Financial Institution Closing Manual - Section 12

Branch Coordinator and Branch Managers

Contents

This section contains the following information on Branch Coordinator and Branch Managers:

	Topic Title	
Overview		12-2
Closing Task Checklist		12-3
Subsection: 12.1 - Pre-Closing Preparation for Branch Coordinator and Branch Managers		12-4
Subsection: 12.2 - Closing Activities for Branch Managers		12-7
Subsection: 12.3 - Exit Memorandum and Checklist to the Branch Coordinator		12-11
Subsection: 12.4 - Exit Memorandum and Checklist to the Closing Manager		12-12
Section 12: Exhibits		12-13

Overview

For institutions with several branches, the Branch Coordinator is responsible for the organization and management of closing activities related to the branches. Branch Managers at each branch, LPO, or servicing site will perform their assigned duties under the supervision of the Branch Coordinator. In closings with only one or two branches the Branch Coordinator could be the manager at the main branch and will report to the Closing Manager.

For most closings, many of the branch closing duties will be performed by Facilities, Assets, Proforma, and BIS. The Branch Manager will ensure and report the satisfactory accomplishment of these items, along with those specifically assigned to the Branch Manager on this task checklist. If assistance is not available from other functional areas, the Branch Managers must be able to perform the items on the checklist themselves or arrange for their completion with contractor assistance.

Prior to a large closing, the Branch Coordinator may provide training to non-DRR or contractor personnel who will serve as Branch Managers. In a purchase and assumption or a deposit transfer transaction, the Branch Manager will facilitate the transfer of assets and liabilities at the branch to the Assuming Institution. The Branch Manager is responsible for the scheduling, security, and performance of the branch personnel until they are transferred to the Assuming Institution, to an employment agency, or are released.

 Failed Financial Institution Closing Manual

Closing Task Checklist

Institution: _____ **FIN:** _____

Section 12: Branch Coordinator and Branch Managers

Closing Task Checklist

Assigned To: _____

Sub section:	Completed:	Description:
12.1		<u>Pre-Closing Preparation for Branch Coordinator and Branch Managers</u>
12.2		<u>Closing Activities for Branch Managers</u>
12.3		<u>Exit Memorandum and Closing Task Checklist to the Branch Coordinator</u>
12.4		<u>Exit Memorandum and Checklist to the Closing Manager</u>

Sign-Off: _____ **Date:** _____

Return all completed and signed task lists to the Closing Manager.

 Failed Financial Institution Closing Manual

Pre-Closing Preparation for Branch Coordinator and Branch Managers

Institution: _____ **FIN:** _____

Section 12: Branch Coordinator and Branch Managers

Subsection 12.1: Pre-Closing Preparation for Branch Coordinator and Branch Managers

Assigned To: _____

Task: Completed:

Description:

Branch Coordinator:

- A Attend all pre-closing manager and staff meetings.
- B Identify the number of branches and the types of activities offered at each branch. Plan for differences in language spoken, time zones and hours of operation. Obtain directions to each branch and ATM location.
- C For foreign branches, the banking and bankruptcy regulations of the country will take precedence and should be researched in advance. Identify and prepare a contact list of key individuals assigned to each branch; i.e. DRR/DSC branch manager, Assuming Institution “Ambassador(s) or Branch Manager(s),” Chartering Authority to appoint FDIC as Receiver. Sample contact list:

DRR Branch Manager's Name

E-mail

Phone: Office or Cell (Blackberry)

Branch Location

Phone: Branch Office

Branch Fax

Friday's Normal Close Time

AI “Ambassadors” Branch Manager's Name

E-mail

Phone: Office or Cell (Blackberry)

Chartering Authority Name

E-mail

Phone: Office or Cell (Blackberry)

Failed Financial Institution Closing Manual

- D Determine the staffing requirements of each branch. For large closings with many branches, establish an on-call reserve force to help handle Monday customer lines and other unforeseen needs.
- E For large closings, coordinate with the Closing Manager or RIC to fill positions pursuant to any inter-division agreements or to contract to complete specialized tasks.
- For branches located abroad, contact Legal to secure the services of an experienced banking attorney in each country prior to the closing.
- F If non-DRR personnel are assigned Branch Manager tasks, prepare and provide clear, written instructions to each. Examples from earlier closings are available on the RIC/CM webpage.
- After written instructions are distributed, contact each appointed Branch Manager to ensure the instructions have been read and understood.
- Instruct each Branch Manager to check in during the first hour of the closing to report status and problems.
- G For institutions with a large number of branches or geographically disbursed over a wide area (more than two hours travel time from the main office), ensure that a conference call number is available for use during the closing. The request should be made for this service via the following link:
- <http://fdic01.prod.fdic.gov/division/doa/adminservices/records/forms/1000/1380-09.doc>
- H Prepare the Strategic Resolution Plan information assuming full staffing for each branch and anticipating completing the full process. The information may be adjusted depending on how the institution is marketed by Franchise Marketing or if the institution has an infrastructure that divides the branches into regions or areas.
- I Coordinate with the Claims Agent-in-Charge to develop a staffing plan in the event that the transaction consummated is an Insured Deposit Only Transfer.
- J Arrange with the Closing Manager how the closing documents, which are required to be posted on the branch doors as public notification, will be transmitted to the Branch Manager.

 Failed Financial Institution Closing Manual

K In coordination with the RIC or Closing Manager, contact the chartering authority to determine whether the regulatory body will staff each location or rely on the FDIC to post the proper notices.

If the regulatory body plans to staff each branch, obtain the name, phone number, and email address for each representative and distribute to the branch managers to coordinate entry into the institution.

L At the meeting with the Assuming Institution, determine if the Assuming Institution plans to staff each branch, as well.

Branch Manager:

M Coordinate with the other Closing Team Managers on the activities involving those managers. Obtain any forms you will need to perform their functions if you will be acting for them.

- Facilities on security requirements, inventory of safe deposit boxes, changing the locks to the facility, etc.
- Proforma on the counting of teller, vault, and ATM cash, cutting off or completing cash letter, wire activities, or servicing performed at the branch.
- Benefits/Personnel on requirements for reporting hours worked and payment of the branch employees.
- BIS to control or deactivate E-banking, ATMs, wipe computers, provide phone lines, etc.
- Assets for disposition of notes, credit files, bank owned autos, etc.

N Obtain a copy of the branch lease, landlord's name, and phone number, if available.

O Prepare the message to be delivered to the employees, including answers to common questions concerning pay and benefits. Obtain the Institution Employee Information Sheet (See Exhibit I.E: Institution Employee Information Sheet) from the RIC and the Personnel Waiver forms from the Payroll contractor. Have the forms completed by all employees and return per instructions.

P If a representative of the Assuming Institution plans to attend the branch closing, prepare a copy of the Closing Overview (See Exhibit I.B: Assuming Institution Pre-closing Information) for informational purposes. If the Assuming Institution has not already received this information, provide a copy just prior to the closing or upon arrival and answer any questions.

Failed Financial Institution Closing Manual

- Q Prior to closing, confirm with the Facilities Manager that the contracted security guard has been provided information as to the general location of the assignment and time of arrival. The Branch Manager will then be responsible for contacting the guard assigned to their branch to coordinate where and when they will deploy.
- R Ensure all perimeter branch doors are secured at the designated closing time.

Sign-Off: _____ **Date:** _____

Return all completed and signed task lists to the Closing Manager.

Closing Activities for Branch Managers

Institution: _____ **FIN:** _____

Section 12: Branch Coordinator and Branch Managers

Subsection 12.2: Closing Activities for Branch Managers

Assigned To: _____

Task: Completed:

Description:

- A Approximately 30 minutes prior to the confirmed closing time, enter the branch with a Chartering Authority Representative, locate the failed institution branch manager. The state banking or regulatory representative will introduce himself/herself and you and explain the purpose for being there. No action by the FDIC Branch Manager occurs until the last customer leaves the bank premises and the FDIC is appointed Receiver.
- For large branch networks a Chartering Authority Representative may not be available, so Branch Manager's will only enter the failed bank branch when notified of the FDIC being appointed Receiver.
- If there is to be a cash count and inventory of safe deposit boxes and un-issued official items, ensure that the vault remains open.**
- B Ensure all perimeter branch doors are secured (at the designated closing time).
- C Advise employees that their assistance is essential for a smooth and orderly transition. Inform the employees that FDIC is responsible for directing them in the work to be performed. Pass out the Institution Employee Information Sheet. Distribute and explain the importance of the timely completion of the Personnel Waiver and Contact Information Forms.
- D Distribute and collect Sign in/ Sign Out sheets for all employees. (See Exhibit 11.A: Sign In/Sign Out Sheet for Institution Employees). Advise employees that their effort and time spent will be appropriately compensated.

 Failed Financial Institution Closing Manual

Task: Completed:	Description:
E	Inform institution employees that it will be necessary to work overtime and allow the employees to call home to make necessary arrangements. If someone cannot work, obtain a telephone number to be able to contact the employee over the weekend
F	Inform institution personnel that our goal is to first process all work (Daily customer and bank transactions and month-end entries). Ensure that all outgoing batch work is prepared in accordance with the pre-determined courier pick up schedule or that all work is entered through the terminals and the Branch Coordinator is advised when all work has been entered.
G	Prepare to re-open the institution. If the Assuming Institution prefers to immediately re-open the institution (i.e., one additional hour for the drive-through) see Exhibit 12.A: Recommended Procedures for Immediate Re-Opening for guidance.
H	Ensure an institution employee(s) has been designated to answer the telephones and has been provided an appropriate answering script (See Exhibit 1.E: Institution Employee Information Sheet), and the telephone number of the Receiver-in-Charge. For large closings, have BIS arrange for calls to be diverted to FDIC Customer Service or contracted call center.
I	Refer telephone calls from other regulatory agencies to the Receiver-in-Charge or Closing Manager.
J	Instruct institution personnel not to make any statements to the news media. Refer all news media inquiries to the designated Ombudsman or to the Receiver-in-Charge or Closing Manager.
K	Post the appropriate FDIC advisory signs at all customer entrances and drive-up window areas and ATMs. The FDIC Press Release may be obtained via the FDIC.gov website; in the case of large closings this will facilitate the quickest method of obtaining the press release. If there is an Assuming Institution DO NOT block access to the ATM or Night Depository.
L	Render all non-lobby depositories and/or withdrawal facilities inoperable immediately upon closing unless specific provisions have been made to the contrary. Specific instructions will be provided by the Branch Coordinator. (Check with the BIS Manager before completing this step.)

This step includes the following:

- Automatic teller machines: Immediately notify the company that provides and/or services the ATM that the

 Failed Financial Institution Closing Manual

Task: Completed:**Description:**

institution has been closed and that transactions are not authorized.

- Wire transfer mechanisms: Disconnect, disable, lock, and seal the wire transfer mechanism to prohibit further transactions.
- Non-automated depository facilities should be locked and/or sealed, and notices posted on them.

Note: All night depositories will be emptied and the contents inventoried under dual control.

- M Ensure that the cash count by failed bank employees is observed under dual control by either the Branch Manager or Proforma, along with the Assuming Institution (if applicable).
Obtain a copy of the receipt to the Assuming Institution. (See Exhibit 2.B: Preparation of Official Receipts)
Ensure Proforma obtains receipts for any collection items, returned checks or other cash items at the branch transferred to the Assuming Institution.
- (b)(5)
- If the transaction is a Payoff, ensure Proforma secures the cash (and cash items) in the vault and arranges an armored car pickup.
- N If there are any incoming cash letters expected from the Federal Reserve or other correspondent institutions, notify Proforma immediately.
- O Check with the Asset Manager before inventorying and securing promissory notes, collateral files, and asset files maintained at the branch. After Proforma has reconciled the loans to the trial balance and loan pools, and at the request of the Asset Manager, receipt the assumed loans, collateral and supporting documents and files to the Assuming Institution in accordance to with the Purchase and Assumption Agreement. Ship remaining notes, collateral, and credit files as directed by the Asset Manager.
- Assist the Asset Manager in inventorying, boxing, and shipping all other bank records and correspondence not transferred to the Assuming Institution (or destroyed). Contact the Investigations Manager if any Suspicious Activity Reports are found or if complaints or information of wrongdoing are received.

 Failed Financial Institution Closing Manual

- P Determine if Personnel records are maintained at the branch, if so, determine whether they are for active or terminated employees. Advise Branch Coordinator and Records Management representative and await instructions for retention or shipping.
- Q Ensure that all computer CPUs and hard drives not transferred to the Assuming Institution are wiped or shipped to a location where this can be accomplished. Specific instructions will be provided for shipment of CPUs or the destruction of drives.
- R When failed bank employees are no longer needed, collect their final time sheets, badges, and other bank owned property. Dismiss them and thank them for their help. Initial and FAX the time sheets to the Payroll Team.
- S Receive from Facilities, all memorandums/receipts for the disposition of each of their tasks.
- T If location is not transferred to an Assuming Institution, and you do not remain to liquidate FF&E, lock the door, retain a key and send a duplicate key to ORE or the Branch Coordinator/Repudiation Team.
- U Branch Coordinator attends all daily Functional Managers' meetings.
- V Ensure that PII/SI is secured and encrypted at all times.
- W Ensure PII/SI content on SharePoint, thumb drives, laptops, and e-mails is handled in compliance with FDIC Directives and Policy.
- X Confirm closing team members have executed all assigned tasks and have properly disposed of PII/SI in their possession.
- Y Review completed tasks and confirm PII/SI compliance in accordance with FDIC Directives and Policy.

Sign-Off: _____ **Date:** _____

Return all completed and signed task lists to the Closing Manager.

Exit Memorandum and Checklist to the Branch Coordinator

Institution: _____ **FIN:** _____

Section 12: Branch Coordinator and Branch Managers

Subsection 12.3: Exit Memorandum and Checklist to the Branch Coordinator

Assigned To: _____

Task: Completed:

Description:

Branch Manager:

- A Send completed task check list, copies of receipts, cases written and other documentation and information requested to the Branch Coordinator (or Closing Manager.) Notify Asset Manager of any FDIC owned Other Assets that require disposition.
- B Prepare an Exit Memorandum to the Branch Coordinator in accordance with Exhibit 2.C: Exit Memorandum to the Closing Manager. Highlight items not yet accomplished, plans for completion, significant problems encountered and how solved.

Branch Coordinator:

- C Collect a branch Exit Memorandum, completed Closing Task Checklist, and copies of official receipts from each Branch Manager. Accumulate copies of all contracts from the branches and forward them to the contract repudiations team.
- D Check with other closing team managers to confirm that each received the expected reports prepared at the branches, such as time sheets, cash counts, original official receipts, and equipment inventories; and more importantly, the expected actual items such as the delivery of cash and securities, un-purchased notes, chargeoffs, loans in process and their related credit files. Check with BIS to see if all branches with computers have arranged to be wiped or transferred to the Assuming Institution.
- E Compile and send a copy of all FF&E inventories, landlord and utility contacts and phone numbers to the Asset Manager, ORE or to team responsible for post closing liquidation as appropriate.

Sign-Off: _____ **Date:** _____

Return all completed and signed task lists to the Closing Manager.

 Failed Financial Institution Closing Manual

Exit Memorandum and Checklist to the Closing Manager

Institution: _____ **FIN:** _____

Section 12: Branch Coordinator and Branch Managers
Subsection 12.4: Exit Memorandum and Checklist to the Closing Manager
Assigned To: _____

Task: Completed:
Description:

- | | |
|---|---|
| A | Ensure that all checklists and noted exhibits are submitted. |
| B | Prepare an Exit Memorandum to the Closing Manager in accordance to Exhibit 2.C: Exit Memorandum to the Closing Manager. Include the following: <ol style="list-style-type: none"> 1. Closing assignment 2. Description of tasks performed 3. Unresolved issues 4. Suggestions or problems encountered 5. General comments (if any) |

Sign-Off: _____ **Date:** _____

 Return all completed and signed task lists to the Closing Manager.

Section 12: Exhibits

List of Exhibits

Exhibit 1.B: Assuming Institution Pre-closing Information

Exhibit 1.E: Institution Employee Information Sheet

Exhibit 2.B: Preparation of Official Receipts

Exhibit 2.C: Exit Memorandum to the Closing Manager

Exhibit 11.A: Sign In/Sign Out Sheet for Institution Employees

Exhibit 12.A: Recommended Procedures for Immediate Re-Opening

Exhibit 12.A: Recommended Procedures for Immediate Re-Opening

When the Assuming Institution (AI) deems it advisable to re-open drive-through windows after appointment of the FDIC, as Receiver, the following are recommended procedures to utilize:

1. Have the AI bring sufficient fully supplied cash drawer(s) – currency and coin, manual cash-in / out tickets, manual receipt paper (preferably pre-printed with the AI's name and a teller's validation rubber stamp and ink pad to each location anticipating an immediate re-opening. Have the AI staged in the branch parking lot at the designated closing time. Upon the announcement by the primary regulator, the FDIC representative should immediately allow the AI into the facility. FDIC Representative should announce to the employees:
 - a. "I am _____ of the FDIC, I will be addressing you at greater lengths shortly. For now, in order to ensure the appearance of a seamless and smooth transition to the customers, _____ of the _____, the Assuming Institution will assist in providing continuing service to the customers.
 - b. An AI representative and an employee of the failed bank should "manually" service the customers. Using the manual documents and drawer(s) (supplied by the AI) each transaction can be verified as to available balance by using the inquiry mode of the failed bank's teller machine. The rubber stamp can be used to "validate" the manual receipt for the customer.
 - c. The paper documents should be maintained separately for each of these transactions with the AI's supply of cash.
 - d. Following the completion of the drive-through hours, the cash and transactions should be secured and the FDIC representative then can proceed with the normal announcement and begin the closing activities.

Once the drive-through tellers' cash has been verified, the post closing transactions can be entered into that teller's machine (on the next business day) and the net cash utilized for those transactions can be transferred to or from the AI's supplied cash drawer.

Failed Financial Institution Closing Manual - Section 13

BIS Manager

Contents

This section contains the following information on BIS Manager:

Topic BIS Manager

<u>Overview</u>	13-2
<u>Closing Task Checklist</u>	13-3
<u>Subsection: 13.1 - Pre-Closing Preparation</u>	13-4
<u>Subsection: 13.2 - Closing Activities</u>	13-6
<u>Subsection: 13.3 - Post Closing Activities</u>	13-8
<u>Subsection: 13.4 - Exit Memorandum and Checklist to the Closing Manager</u>	13-9
<u>Section 13: Exhibits</u>	13-10

Overview

The mission of the Business Information Systems (BIS) Team is to be responsive to the Closing Manager and Receiver-in-Charge, and to provide information technology (IT) support in an efficient and timely manner. To accomplish this objective BIS will complete specific tasks as set forth in the BIS Bank Closing Manual and the BIS portion of the Receivership Liability Systems (RLS) Manual.

The BIS Closing Team will be headed by an Information Technology Specialist, designated as IT Manager, experienced in bank closings and familiar with bank data processing services and systems.

The core BIS team will consist of an IT Manager, a Download Specialist, and a Computer Specialist. Staffing is based on the complexity and size of an institution and the mix of bank hardware and software that may need to be secured and supported.

 Failed Financial Institution Closing Manual

Closing Task Checklist

Institution: _____ **FIN:** _____

Section 13: BIS Manager

Closing Task Checklist

Assigned To: _____

Sub section:	Completed:	Description:
13.1		<u>Pre-Closing Preparation</u>
13.2		<u>Closing Activities</u>
13.3		<u>Post Closing Activities</u>
13.4		<u>Exit Memorandum and Checklist to the Closing Manager</u>

Sign-Off: _____ **Date:** _____

Return all completed and signed task lists to the Closing Manager.

Pre-Closing Preparation

Institution: _____ **FIN:** _____

Section 13: BIS Manager

Subsection 13.1: Pre-Closing Preparation

Assigned To: _____

Task: Completed:	Description:
A	Attend all pre-closing manager and staff meetings.
B	Develop the appropriate section of the Strategic Resolution Plan and provide to Receiver-in-Charge.
C	Coordinate pre-closing and closing plans and activities with the RIC and Closing Manager.
D	Prepare the data files, equipment, and information needed for the closing.
E	Prepare the BIS team to perform the closing functions at the failed institution. Most of this work is done by the BIS IT Manager and BIS Download Lead.
F	The BIS Closing Coordinator (department management) provides necessary direction to the BIS team. For large bank failures, this person will be a member of the BIS team.
G	Visit the failing institution to gather additional information and resolve unanswered questions where possible.
H	Obtain the signed "Confidentiality Agreement" for all outside EDP servicers (if any) from DRR Franchise Marketing. This Confidentiality Agreement allows the IT Manager to meet with the external servicer prior to the closing to discuss what will be requested of the servicer as of closing.
I	If necessary, conduct a meeting with the servicer to obtain information such as capability of stopping accruals, when to expect the download files, report generation capability, delivery logistics, and staffing.
J	Coordinate with FAMB and DIT the time, location and installation of internet service at the failing institution.
K	Coordinate automation efforts for all FDIC Closing Team functional areas.

Failed Financial Institution Closing Manual

Task: Completed:**Description:**

- L Obtain answers to the questions on the Closings Question Worksheet. (See Exhibit 13.A: Closings Questions Worksheet) from the Closing Manager before requesting data processing to begin for the failed institution on closing night.
- M Obtain and deliver downloads and reports as required.

Sign-Off: _____ **Date:** _____

Return all completed and signed task lists to the Closing Manager.

 Failed Financial Institution Closing Manual

Closing Activities

Institution: _____ **FIN:** _____

Section 13: BIS Manager

Subsection 13.2: Closing Activities

Assigned To: _____

Task: Completed:	Description:
A	Enter the failed institution as early as possible to allow the BIS Team enough time to establish a base of operations, make initial contact with the failed institution's data processing management, and ensure that equipment required by the closing team is set up and operating.
B	Secure failed institution onsite data processing operations, communications systems, e-banking services, Fed Wire (including the tokens), Internet Provider, networks, and phones.
C	Attend all daily Functional Managers' meeting. Act as the point of contact between the Closing Manager and failed bank's data processing operations staff and/or data processing Servicer.
D	Ensure that each member of the BIS Closing Team performs their specific job responsibilities during the initial closing hours. (See <u>Exhibit 13.B: BIS Functional Responsibility Overview</u>)
E	Treatment of Sweep Accounts – <ul style="list-style-type: none"> • At the end of the business day, absent fraud, sweeps for all prearranged sweep accounts that are in writing and have been approved by authorized financial institution officials shall be completed in accordance with their terms. In such cases, the account shall be swept in accordance with the account agreement and the "deposit account" shall be determined for deposit insurance purposes after completion of the sweep. • For bank closings prior to the end of the business day, the status of sweep accounts should be reviewed with the Receiver-in-Charge.
F	Coordinate ongoing automation efforts with the Assuming Institution.

 Failed Financial Institution Closing Manual

Task: Completed:	Description:
G	Coordinate imaging and storage of documents associated with failed institution.
H	Set-up and maintain Accounting LAN and optionally the RLS LAN.
I	Provide LAN administration and ongoing computer operations support for the accounting Proforma function.
J	Facilitate the data transformation from the Servicer into the formats for the upload into RLS.
K	Provide general hardware and software support to FDIC Closing Team.
L	Obtain and process the final downloads and requested reports.
M	Provide necessary information to the closing team quickly and in an acceptable format.
N	Prepare ad-hoc reports, letters, and labels, as requested using mapped downloaded data.
O	Ensure that all FDIC computer equipment is functioning properly.
P	Ensure that backups for the failed institution mail servers and backups for any computer systems identified by Investigations are generated.
Q	Coordinate with OIG and/or contractors to obtain forensic copies as necessary.
R	Complete the BIS Closing Checklist. (See Exhibit 13.C: BIS Closing Checklist)
S	Ensure that PII/SI is secured and encrypted at all times.
T	Ensure PII/SI content on SharePoint, thumb drives, laptops, and e-mails is handled in compliance with FDIC Directives and Policy.
U	Confirm closing team members have executed all assigned tasks and have properly disposed of PII/SI in their possession.
V	Review completed tasks and confirm PII/SI compliance in accordance with FDIC Directives and Policy.

Sign-Off: _____ **Date:** _____

Return all completed and signed task lists to the Closing Manager.

 Failed Financial Institution Closing Manual

Post Closing Activities

Institution: _____ **FIN:** _____

Section 13: BIS Manager
Subsection 13.3: Post Closing Activities
Assigned To: _____

Task: Completed:	Description:
A	Remain at the closing site to provide computer support for as long as is necessary.
B	Follow up on any items noted in the Exit Memo as discussed with the Closing Manager.
C	File copies of electronic files, paperwork, and reports related to the closing in the BIS Bank Activity File for safekeeping and future reference.
D	As people return from the closing site, check in their equipment (laptops and cell phones). Process the equipment and store.
E	Receipt other FDIC equipment, such as the RLS and Accounting LAN equipment and prepare for use at future closings.

Sign-Off: _____ **Date:** _____

 Return all completed and signed task lists to the Closing Manager.

 Failed Financial Institution Closing Manual

Exit Memorandum and Checklist to the Closing Manager

Institution: _____ **FIN:** _____

Section 13: BIS Manager
SubSection 13.4: Exit Memorandum and Checklist to the Closing Manager
Assigned To: _____

Task: Completed:
Description:

- | | |
|---|---|
| A | Ensure that all checklists and noted exhibits are submitted. |
| B | Prepare an Exit Memorandum to the Closing Manager in accordance to Exhibit 2.C: Exit Memorandum to the Closing Manager. Include the following: <ol style="list-style-type: none"> 1. Closing assignment 2. Description of tasks performed 3. Unresolved issues 4. Suggestions or problems encountered 5. General comments (if any) |

Sign-Off: _____ **Date:** _____

 Return all completed and signed task lists to the Closing Manager.

Section 13: Exhibits

List of Exhibits

Exhibit 2.C: Exit Memorandum to the Closing Manager

Exhibit 13.A: Closing Questions Worksheet

Exhibit 13.B: BIS Functional Responsibility Overview

Exhibit 13.C: BIS Closing Checklist

Exhibit 13.A: Closing Questions Worksheet

The BIS Manager obtains answers to the following questions from the Closing Manager before requesting data processing to begin for the failed institution on closing night.

Item:	Issue/questions:	Notes:
ATMs	How should the ATM system be handled?	
	Will ATM debit cards be deactivated?	
	Will ATM debit card limit be changed to zero?	
	Will ATM debit cards be re-activated?	
	If so, when? (Check with DRR's Other Assets personnel.)	
Internal automatic payments and transfers	How will automatic payments be handled after the closing night processing?	
	For example: Automatic loan payments or automatic transfers from deposit accounts	
Ready Reserve/Overdraft Protection	How will the Ready Reserve/Overdraft Protection System be handled?	
	For example: Freeze overdraft protection after processing on closing night	
Insufficient Fund Check Paying System (NSF)	Will the Insufficient Fund Check Paying System (Pay-All) be disabled, so that insufficient funds checks are rejected rather than paid?	
Equity lines of credit	How will equity lines of credit be handled?	
Credit cards	What will be done about VISA and MasterCard credit card portfolio?	

 Failed Financial Institution Closing Manual

Loan account accrued interest	How will accrued interest on loans be handled?
	For example: For institutions closing on Friday, will interest be posted through Friday only, with accrued interest added for Saturday and Sunday on the next processing day?
Deposit account accrued interest	How will deposit account accrued interest be handled and determine cutoff date?
	For example: For institutions closing on Friday, will interest be posted through Friday only, with accrued interest added for Saturday and Sunday on the next processing day?
Cycling deposit account statements	How will cycling deposit account statements be handled?
	How will audit confirmations for TCD's be produced?
	Will statements be generated for accounts with zero balances?
	How many copies of statements are needed?
Inactive and dormant accounts	Should inactive or dormant accounts be activated?

Exhibit 13.B: BIS Functional Responsibility Overview

BIS Manager Responsibilities

The BIS Manager is considered the primary representative from BIS at all financial institution closing activities. Pre-closing, the IT Manager should be involved in working with the Receiver-in-Charge and other closing team members to develop a BIS Strategic Resolution Plan. At the closing, the IT Manager is responsible for supervising the other BIS bank closing team members and overseeing financial institution data processing activities.

The BIS Manager's primary duties are shown in the table below:

During this phase:	The EDP Manager is responsible for:
Pre-closing	<ul style="list-style-type: none"> • Attend pre-closing meetings. • Review the Information Package and P&A. • Complete the TOQ Questionnaire. • Visit the failed institution and/or DP Servicer for an interview. • Populate the DPO (Data Processing Overview) for the closing team members prior to the bank closing. • Make recommendations about staffing and equipment for the closing.
Closing night and subsequent days	<ul style="list-style-type: none"> • Be the POC for the RIC and Closing Manager for BIS personnel and BIS functions. • Be the POC between the closing team members and the failed institution's data processing (DP) staff and/or DP servicer personnel. • Secure the failed institution's computer room and networks • Ensure that all DP activities are completed, and reports and downloads are processed. • Ensure FDIC equipment is setup and working properly.
Final closing activities	<ul style="list-style-type: none"> • Complete the Exit Memo. • Facilitate continuity of operations relative to the type of bank transaction by coordinating continued IT operations among the Assuming Institution, interim servicing management, and any other bank operations stakeholders.

Failed Financial Institution Closing Manual

Accounting and RLS LAN Administrator Responsibilities

The Accounting LAN equipment, and optionally the RLS LAN equipment, must be prepared and shipped to the closing site. On closing night, the equipment must be unpacked, set up, and made operational.

The assigned BIS Specialist will build the RLS database and prepare the first grouping. This processing will normally be done in Dallas, using the National RLS system. When complete, he/she assists DRR Claims in producing reports and labels. Subsequent to Closing Night, the BIS Specialist must also perform system backups on the RLS LAN as necessary.

After the DRR Claims Team completes their work, the BIS Specialist will generate and transmit the RLS security report and RLS export file. Finally, if the RLS LAN was used, the equipment must be disassembled, packed, and shipped back to Dallas.

Hardware Specialist Responsibilities

The BIS Specialist performing the Hardware function for the closing team is responsible for assisting in securing the financial institution's hardware. FDIC financial institution closing equipment must be received, inventoried, distributed, and installed or set up, including setup of the Accounting (and optionally RLS) LAN, at the closing site. Ongoing hardware and software support during the closing activities is also provided, to best enable the closing team to perform their assigned duties.

When the closing activities at the site are finished, the person performing the Hardware function must collect and verify all equipment, and prepare it to be shipped.

Download Specialist Responsibilities

The BIS Specialist(s) performing the Download functions for the closing team is responsible for working with data files prepared by the failed institution's DP department and/or outside DP servicer.

The BIS Download team members perform a substantial amount of work before the closing, i.e., obtaining the preliminary download files, reviewing and balancing the data, and consolidating and saving conversion scripts.

At the time of closing, after the deposit files are converted into RLS format and loan files are mapped and balanced, the BIS Download team member must process the files and create Reconciliation Reports. Accounts payable information, obtained at the failed institution on closing night, must also be converted into RLS format. Other documents, such as letters and specialized reports, may also need to be generated during the closing weekend.

At the completion of closing activities, the BIS Download team member ensures that the deposit and loan download files are included in the BIS central files.

Exhibit 13.C: BIS Closing Checklist

Closing Task Checklist for Pre-Closing, Closing, and Post Closing

Status

Complete
NA
In Progress

Pre-Close Tasks (IT Checklist):

ID	Work Thread	Activity	Owner	Key Contact/s	Notes/Comments	Status
PR - 1	Document	Collect the templates for deliverables (TOQ, SRP, DPO, Closing Checklist) from SharePoint/BIS forms to ensure consistency and inclusion of the latest updates.	BIS Manager			
PR - 2	Compliance	Confirm with BIS Manager and DRR regional manager regarding onsite access to begin interview and Technology & Operations Review process.	BIS Manager	Sharon Schroder		
PR - 3	Admin	Identify Pre-closing IT Team.	BIS Manager	Eric Piscini		
PR - 4	FDIC	Engage and coordinate with onsite DSC Examiner/Lead to understand environment and engage appropriate bank personnel.	BIS Manager	DSC Examiner		
PR - 5	Servicer	<p>Identify the primary servicer for the bank (based on the servicer information provided in the daily resolution spreadsheet) and conduct initial servicer discussion (only if there is an existing NDA with the servicer) with approval from the BIS Manager.</p> <p>Servicer Contacts: <div style="background-color: yellow; padding: 5px; display: inline-block;">(b)(4), (b)(6)</div></p> <p>Note: Refer to document - "FDIC BIS SOP - Interaction with 3rd Party Vendors" in the supporting documents section.</p>	BIS Manager	Sharon Schroder		
PR - 6	BIS	Request SharePoint access for the IT team by sending form by email to BISSharePointAccess@FDIC.gov. Recipients of this email address include Randy, Larry, Bryan, and Larry Bowe.	BIS Manager	Randy Smith		

Failed Financial Institution Closing Manual

ID	Work Thread	Activity	Owner	Key Contact/s	Notes/Comments	Status
PR - 7	Document	Refer to the SharePoint site and review existing information on the bank (call report, snapshot report, liquidity report etc.) and pre-fill the TOQ prior to site visit. Pre-filling the TOQ will help prepare for site visits, shorten onsite Technology & Operations Review and avoid asking redundant questions.	BIS Specialist	Bank IT		
PR - 8	Admin	Conduct Pre-Close Onsite Technology & Operations Review and survey.	BIS Manager	Onsite DSC Examiner		
PR - 9	Network Access	Identify the DHCP scope (valid range of IP addresses that are available for assignments) and if dynamic IP is enabled for the bank. Determine actions that need to be taken to ensure sufficient connectivity during the closing event.	BIS Specialist	Bank IT		
PR - 10	Admin	Determine resource logistics (office locations, conference rooms, seating capacity).	BIS Manager	Onsite DSC Examiner		
PR - 11	DIT	Alert DIT of potential activity & notify any changes by Tuesday of closing week. Such changes include changes to closing locations, any extension required of closing DBIS Support beyond Monday etc. Note: Typically, closing DBIS Support is available until Monday and at the location specified in the bank's charter.	BIS Manager	Pat McCarthy, Cheri Sims		
PR - 12	Bank	Identify key contacts and coordinate interview sessions. Note: Information request worksheet in the supporting documents section may be helpful in obtaining pertinent documents from the bank during interviews.	BIS Manager	Onsite DSC Examiner		
PR - 13	Servicer	Identify critical systems and infrastructure components that are fully controlled by 3rd party providers. During onsite review, obtain the names, email addresses, phone numbers, titles, etc of vendors, so that NDAs can be processed if required. When we are performing pre-closing Technology & Operations Review joint conference calls should be held with the bank staff and vendors to understand the vendor's services, SLA's and contractual terms. Note: Refer to document - "FDIC BIS SOP - Interaction with 3rd Party Vendors" in the supporting documents section.	BIS Specialist	Bank IT, Bank Operations		
PR - 14	Document	Complete TOQ and load it in SharePoint.	BIS Specialist			
PR - 15	FDIC	Attend and participate in pre-closing meetings. Note: Invite the servicer to the final closing meeting only if they are local or if we plan to have them at the bank thru the week-end.	IT Team	RIC, Closing Manager		
PR - 16	FDIC	Confirm Bank Closing Date.	BIS Manager	RIC, Closing Manager		
PR - 17	FDIC	Identify/Confirm IT Closing Team members.	BIS Manager			

Failed Financial Institution Closing Manual

ID	Work Thread	Activity	Owner	Key Contact/s	Notes/Comments	Status
PR - 18	Document	Develop a list of critical bank and servicer contacts.	BIS Specialist			
PR - 19	DIT	Notify DIT of resource (laptops, scanners, printers etc), timing and location requirements. Note: Refer "BIS Support Reference Guide" in the supporting documents folder for details on BIS Support procedures.	BIS Support	Pat McCarthy, Cheri Sims		
PR - 20	Compliance	Determine need and obtain authorization from the DRR Regional Manager to send DSL request.	BIS Manager	DRR Regional Manager		
PR - 21	DIT	Order DSL Connectivity through DIT at least 2 weeks before the closing event. The email should be send TO: Pat McCarthy & Cheri Sims and CC: DSC onsite examiner, Earl Bears Note: Use the DSL Request Template in eRoom (in Supporting Documents Folder) to ensure that the request contains all required details. When providing the bank contact's name for DSL request, provide the information for Bank's IT lead and use this individual to test the DSL connectivity, once installation is complete.	BIS Manager	Pat McCarthy, Cheri Sims, DSC onsite examiner, Earl Bears		
PR - 22	Compliance	Identify and Coordinate Access (including NDAs) to Key Institution Vendors. The NDA's will be ordered by the BIS Oversight Manager. Additionally, Regulatory approval is required before NDA's can be requested. Note: Refer to document - "FDIC BIS SOP - Interaction with 3rd Party Vendors" in the supporting documents section.	BIS Manager	Sharon Schroder		
PR - 23	FDIC	Identify leads for all closing teams (Downloads, BIS Support, Accounting, FDIC branch contact).	BIS Manager			
PR - 24	Document	Develop closing plan and checklist.	BIS Specialist			
PR - 25	Document	Develop an "issues" log for potential issues.	BIS Specialist			
PR - 26	Claims	Contact the claims group and inform who will be the BIS Manager for this bank closing activity.	BIS Manager	Belinda Davis, Sharon Kelly, Linda Shaw		

Failed Financial Institution Closing Manual

ID	Work Thread	Activity	Owner	Key Contact/s	Notes/Comments	Status
PR - 27	Servicer	<p>Coordinate conference call with key servicers/vendors (Use the Key contacts provided to initiate communications with Fiserv, Fidelity & (b)(4) with the approval of the BIS Manager.</p> <p>Notes: Ensure the appropriate DRR staff are invited: Sharon Schroder Larry Lorance Joe Leubitz Susan Spaethe Belinda Davis, FDIC Mike Spaid Sharon Kelley Downloads Representatives from Loans and From Deposits Closing Financial Manager Claim Agent In Charge</p> <p>Servicer Contacts: (b)(4), (b)(6)</p>	BIS Manager	Sharon Schroder, Servicer Contacts		
PR - 28	Network Access	Validate DSL access at the closing Bank.	BIS Specialist	Bank IT		
PR - 29	Admin	Assign owners for each closing activity.	BIS Manager			
PR - 30	Security	Determine the approach for admin access to core systems to change the Bank's specifications in <3rd Party Servicer> applications during the closing event.	BIS Specialist			
PR - 31	Document	<p>Complete TOQ, SRP and DPO documents load them in SharePoint site.</p> <p>Note: Documents should be uploaded to SharePoint individually, not as a zip file. The only file that should be zipped is the Technology and Operations Questionnaire.</p>	BIS Specialist			
PR - 32	FDIC	Send the completed DPO to the FAMB contact responsible for this institution.	BIS Manager			
PR - 33	Security	Provide access for all closing team members to TOQ and other pertinent documents in SharePoint.	BIS Manager			
PR - 34	Admin	<p>Communicate travel logistics to the IT Team:</p> <ul style="list-style-type: none"> -Hotel selection in target city -Rental Car(s) in target city -Travel dates and flights -Meeting place at target city 	BIS Manager	IT Team		
PR - 35	FDIC	Obtain a copy of the P&A.	BIS Manager	Closing Manager, Sharon Schroder		
PR - 36	Downloads	Downloads team extract Bank's financial, customer, loans and deposit to SharePoint.	Downloads	Servicer		

Failed Financial Institution Closing Manual

ID	Work Thread	Activity	Owner	Key Contact/s	Notes/Comments	Status
PR - 37	Servicer	Coordinate and Confirm Approach/Decision on Accrued Interest with Accounting Manager and Asset Manager.	BIS Manager	Accounting Manager		
PR - 38	Downloads	Work with downloads/servicer to identify the number of holds (both deposits and loans/LOCs) and determine the plan of action to place holds/freezes with the servicer. Note: Verify with the Servicer/Downloads if bulk holds can be placed and determine who will execute the plan.	BIS Manager	Downloads, Servicer		
PR - 39	Downloads	Check SharePoint to confirm successful downloads from bank/servicer (loans, deposits, GL, etc.)	BIS Manager	Downloads		

Closing Tasks (IT Checklist):

ID	Work Thread	Activity	Owner	Key Contact/s	Notes/Comments	Status
DAY 1: FRIDAY						
C - 1	Downloads	Downloads team gets downloads files from the deposit system vendor/bank and provides it to the claims team.	Downloads	Servicer, Claims Agent In-Charge		
C - 2	Compliance	FDIC becomes receiver of the bank and key bank officers are officially notified of closing. Note: This is done after the last customer leaves the last open branch.	BIS Manager	Admin Assistant		
C - 3	GL	Facilitate discussions between FDIC accounting manager, servicer and assuming bank to determine setting up of new GL codes. Note: Scenario 1: AI is taking only insured deposits - Create 4 new GL accounts (FDIC Settlement, FDIC Claims, FDIC Interim Servicing and FDIC Uninsured) Scenario 2: AI takes all deposits - Create 2 new GL accounts (FDIC Settlement and FDIC Interim Servicing) Scenario 3: AI takes all loans and deposits - No separate GL account needs be created	BIS Manager			
C - 4	Compliance	Establish telephone bridge. IT Mgr gives the approval on the bridge for servicers to proceed with the pre-determined changes when FDIC is appointed receiver (per email from admin assistant).	BIS Manager	Admin Assistant		
C - 5	Admin	Identify FDIC Proforma Work Area.	BIS Manager			

Failed Financial Institution Closing Manual

ID	Work Thread	Activity	Owner	Key Contact/s	Notes/Comments	Status
C - 6	DIT	DIT onsite support sets up Aruba wireless network. Aruba devices should be configured to also use the building wiring (not network) to patch them together if the pure wireless mesh approach does not work due to dispersion.	BIS Manager	DIT Onsite Support		
C - 7	Network Access	BIS Support sets-up Proforma Network and internet access. BIS Support should ensure current version of Proforma code is being used.	BIS Support			
C - 8	Admin	Send email communication to the entire closing team regarding IT resource usage and security guidelines. This communication should include protocols for handling PII, use of shared drive, use of email, use of TCP/IP connection etc., as applicable. See supporting documents for a sample email (PII Guidelines email).	BIS Manager			
C - 9	Forensics	Forensic Team arrives at Work Site; Identify user assets for analysis and set up work area. Coordinate with BIS Support to separate out, identify and tag laptops of key bank executives for forensic team. Tags should separately identify each user's laptop/desktop.	BIS Specialist	Forensics, BIS Support		
C - 10	Servicer	Third Party Servicer Contact(s) arrives onsite or is readily available at the Telecom bridge.	BIS Manager	Servicer		
C - 11	Security	Review/Modify/Secure Data Center Physical Access.	BIS Specialist	Bank IT		
C - 12	Security	Bank IT staff disables all access for terminated employees and confirm the change.	BIS Specialist	Bank IT, HR Manager		
C - 13	Security	Bank IT staff disables remote access to Bank Systems for Bank Employees (e.g., VPN) and confirm the change. Note: Receive list of employees with Remote Access should be collected during Technology & Operations Review.	BIS Specialist			
C - 14	Security	Bank IT staff Enable appropriate system access to 3 rd party servicers, if required: - Enable Remote access to core systems/network. - Enable Admin access to System and Internet Banking sites.	BIS Specialist	Bank IT		
C - 15	ATM	Servicer performs ATM force feed for transactions initiated after cut off time and before closing (if cut off is prior to closing).	BIS Specialist	Servicer		
C - 16	ATM	ATMs are placed offline and modified with standard messaging. Note: In the case of all deposit transaction, the AI can request to retain ATMs online.	BIS Specialist	Servicer		
C - 17	Deposits	Change calendar to accrue interest only thru Friday.	BIS Specialist	Servicer		
C - 18	Compliance	Corporate and Executives Cards placed on hold, if required (with approval from FDIC Accounting Manager).	BIS Manager	Servicer		
C - 19	Telebanking	Suspend transactions on Telebanking and verify changes.	BIS Manager	Servicer		

Failed Financial Institution Closing Manual

ID	Work Thread	Activity	Owner	Key Contact/s	Notes/Comments	Status
C - 20	Deposits	Disable domestic and international Wire capability (collect tokens or suspend access credentials and/or disable physical connection to FedLine).	BIS Specialist	Bank Operations		
C - 21	Loans	Disable ability to take advances on all LOCs and loans. Do not disable any ability to make payments on loans and LOCs.	BIS Specialist	Servicer		
C - 22	Deposits	Verify and Maintain Overdraft Protection. Do not freeze overdraft protection unless they are funded from a loan or LOC.	BIS Specialist	Servicer		
C - 23	Deposits	Download and process remote capture items. Remote capture items received until closing should be processed as part of EoD processing on Friday. Remote capture items received after closing event should be processed as part of the next EoD cycle.	BIS Specialist	Servicer		
C - 24	Deposits	Verify that no statements will be generated on Friday, Saturday or Sunday. Note: This applies to deposit statements when only insured deposits are acquired by the AI or when there is no AI. In the case of an all deposit transaction, approach to be discussed with Assuming Institution.	BIS Specialist	Servicer/ Bank Operations		
C - 25	Deposits	Verify that all incoming feeds and items from branches for Friday have been received (ACH, in clearings etc.)	BIS Specialist	Banking Operations		
C - 26	Security	Verify management and monitoring systems are operational, and obtain access to those systems/reports.	BIS Specialist	Banking Operations		
C - 27	Telebanking	Change Phone Routing and Welcome Messages.	BIS Specialist	Bank IT		
C - 28	Website	Disable all Internet Transactions including bill pay from the eBanking Website and confirm this change. Note: This may change depending on the nature of transaction, especially in case of all deposit transfer.	BIS Specialist	Servicer		
C - 29	Website	Modify bank webpage to reflect transaction (FDIC notice) + link to fdic.gov website + mention of the FDIC call center number.	BIS Specialist	James Wagner of FDIC (Tel: (b)(6))		
C - 30	Website	Verify that the fdic.gov webpage is updated with the bank's information.	BIS Specialist			
C - 31	Admin	FDIC Closing Manager sends a global email to all employees. Note: Email template in the supporting documents folder - "email to bank employees."	BIS Manager	Closing Manager		
C - 32	EoD	Servicer verifies receipt of all closing transactions.	BIS Specialist	Servicer		

Failed Financial Institution Closing Manual

ID	Work Thread	Activity	Owner	Key Contact/s	Notes/Comments	Status
C - 33	EoD	Note: Attempt to post transactions that memo posted between cut off and closing, and do not post them next business day. If this is not possible, obtain a list of those transactions and provide them to Proforma.	BIS Specialist	Servicer		
C - 34	Downloads	Servicer posts the transactions, sends the files for the downloads team, and notifies the download team lead of the availability of the download files.	Downloads	Servicer		
C - 35	Downloads	Downloads team verifies files are clean and not corrupted.	Downloads	Servicer		
C - 36	Compliance	Perform a full backup for all systems. Note: Hand over the backup tapes for the bank systems to the Assuming Institution (AI) and instruct the AI and Servicer to retain the normal Friday night backups indefinitely.	BIS Specialist	Bank IT, Servicer		
DAY 2: SATURDAY						
C - 37	Downloads	Processed files from the Downloads team are loaded into RLS (Receivership Liability System).	Downloads	Downloads		
C - 38	Claims	Grouping (Group and Analyze Deposit Accounts).	Claims	Claims Agent In-Charge		
C - 39	Servicer	Facilitate provision customer file to assuming bank.	BIS Specialist	Servicer		
C - 40	Forensics	Coordinate the Investigations and Forensics team IT requirements including admin access to mail server, obtaining loan histories and copies of files and folders from the bank network.	BIS Specialist	Forensics		
C - 41	Website	Engage AI representatives to re-brand websites, ATMs, etc. with logo, verbiage, etc.	BIS Manager	AI		
C - 42	ATM	Change or Restore ATM and Debit Card limits / configuration (based on discussions with assuming bank).	BIS Manager	AI		
C - 43	Network Access	Setup high speed scanners for Proforma and Investigations teams and provide ability to access the scanned documents. Note: Scan to shared folder is preferable. Another option is to setup a generic user ID in outlook and dedicate a workstation with outlook configured with the user ID.	BIS Support	Bank IT		
C - 44	PCAM / Inter. Svcs	Meeting with Post Closing Asset Manager and interim services manager to determine their needs. - Names of RAC contractors that need bank email - List of who needs access to what application on the bank's network - How many phones needed	BIS Manager	PCAM, Interim Svcs Manager		
C - 45	PCAM / Inter. Svcs	Provide connectivity to the bank network for post assets and interim services teams.	BIS Specialist	Bank IT, BIS Support		
C - 46	PCAM / Inter. Svcs	Create a shared folder for post assets team to share files securely in the bank's network.	BIS Specialist	Bank IT, BIS Support		

Failed Financial Institution Closing Manual

ID	Work Thread	Activity	Owner	Key Contact/s	Notes/Comments	Status
C - 47	PCAM / Inter. Svcs	Request (active directory) access for post Assets Team to bank network and email.	BIS Specialist	Bank IT		
C - 48	PCAM / Inter. Svcs	Request access to the required core banking systems.	BIS Specialist	Bank IT, Servicer		
C - 49	PCAM / Inter. Svcs	Setup work area and phone access for the post assets team/RAC contractors.	BIS Specialist	Bank IT, BIS Support		
C - 50	PCAM / Inter. Svcs	Set FDIC laptops and other systems to enable Post Closing Asset Management Team to access the required bank applications.	BIS Support	Bank IT		
C - 51	PCAM / Inter. Svcs	Train Post Closing Asset Management Team on application access, email, phones and shared drive.	BIS Specialist	Bank Operations		
DAY 3: SUNDAY						
C - 52	Claims	Prepare Account HOLDS File.	Downloads	Claims Agent-in-Charge		
C - 53	Claims	Prepare Account DEBITS File.	Downloads	Claims Agent-in-Charge		
C - 54	Claims	Prepare CREDIT File.	Downloads	Claims Agent-in-Charge		
C - 55	Servicer	Validate and Process HOLDS, DEBITS, CREDIT Files. Scenario 1: AI is taking only insured deposits - Place debits and holds in mass after insurance determination complete Scenario 2: AI takes all deposits - Place holds only on accounts that are related to outstanding loans Scenario 3: AI takes all loans and deposits - No holds need to be placed	BIS Specialist	Servicer, Bank Operations		
C - 56	GL	Setup new branch code in GL and move FDIC loans to this branch. This should be done in consultation with FDIC Accounting Manager.	BIS Specialist	Servicer, Bank Operations		
C - 57	Servicer	Facilitate the provision of information requested by Investigation Team: - Loan Histories - Customer Information Files - Loan Trial Balances - General Ledger - Wire Transfer Logs - Cash Transaction Reports Note: Work with Downloads to ensure that this information is available in the SharePoint folder and direct the investigations team accordingly.	BIS Specialist	Downloads		
C - 58	Re-opening	Work with the servicer and FDIC to change the bank name on systems and statements for loans retained by FDIC (FDIC as Receiver of xxx).	BIS Specialist	Servicer		
C - 59	Re-opening	Change the status of all dormant accounts to active, so that clock will be reset for accounts to be escheated to the state.	BIS Specialist	Servicer, Bank Operations		
C - 60	Re-opening	Verify that no CDs have been closed following debits.	BIS Specialist	Bank Operations		
C - 61	Re-opening	Generate report for ATM/Debit Cards failed trans since Friday 6:00 PM and provide this to the Proforma Manager.	BIS Specialist	Servicer		

Failed Financial Institution Closing Manual

ID	Work Thread	Activity	Owner	Key Contact/s	Notes/Comments	Status
C - 62	Re-opening	End of day processing (accrue through Sunday) and generate reports.	BIS Specialist	Servicer		
C - 63	Re-opening	Plan for Monday Re-Opening with the Assuming Bank leveraging assuming bank checklist (See tab "Assuming Institution Checklist").	BIS Manager	AI		
C - 64	Re-opening	Meeting with AI operations team to explain the actions taken as part of the closing and discuss the go-forward plan.	BIS Manager	AI		
C - 65	Website	Enable/Resume Internet Banking and Website back online (based on discussions with assuming bank).	BIS Specialist	AI		
C - 66	Telebanking	Modify phone messaging (based on discussions with assuming bank) and resume Telebanking.	BIS Specialist	AI		
C - 67	ATM	Modifications to ATM configuration (welcome screen, logo, functions, etc.) in place (based on discussions with AI).	BIS Specialist	AI		
C - 68	Re-opening	Modifications to branch automation (teller app, official items list e.g. Cashier's checks, etc).	BIS Specialist	AI		
C - 69	Re-opening	Modifications to statement generation and printing.	BIS Specialist	AI		
C - 70	ATM	Bring ATMs online.	BIS Specialist	Servicer		
C - 71	Security	Review access privileges in core banking systems and ensure that it mirrors the division of responsibilities between AI and FDIC. For example FDIC should have access to the loan files and acquiring institution should only have rights to review loan accounts if the AI has not purchased the loans.	BIS Specialist	Servicer		

Post-Close Tasks (IT Checklist):

ID	Work Thread	Activity	Owner	Key Contact/s	Notes/Comments	Status
PC - 1	IT Transition	Review list of current projects and decide status.	BIS Manager	Assuming Bank, FDIC Settlement Agent		
PC - 2	IT Transition	Plan and prepare for technology migrations.	BIS Manager	Assuming Bank		
PC - 3	IT Transition	Review contract and invoice management with assuming bank.	BIS Manager	Assuming Bank		
PC - 4	Compliance	Make sure that remote access for the assuming bank is compliant with DIT security guidelines and that they only get access on a need to know basis. Refer P&A for division of responsibility and ownership.	BIS Specialist	BIS Manager		

Failed Financial Institution Closing Manual

ID	Work Thread	Activity	Owner	Key Contact/s	Notes/Comments	Status
PC - 5	IT Transition	Establish a helpdesk process (for change management and incident management) to include FDIC and assuming bank. This process should specifically address the needs of RAC/Contractors and FDIC contactors continuing onsite after the IT team leaves.	BIS Manager	Bank IT, Assuming Bank		
PC - 6	IT Transition	Communicate the helpdesk process including contact phone numbers/email to the FDIC team and RAC contactors.	BIS Manager	Post Assets Team, Interim Services Team		
PC - 7	Compliance	DIT should NOT be contacted with any utility requests such as phone or internet services after closing. In the post closing phase the institution is DRR responsibility and DIT is not responsible. Contact BIS (Sharon Schroder or designee) for all post closing utility requests and any other unknowns.	BIS Support	BIS Manager		
PC - 8	IT Transition	Resolve all incoming bills including any additional support charges from servicer.	BIS Manager	FDIC Settlement Agent		
PC - 9	Bank	Bank operations counterpart to train post assets/RAC contractors to use core banking systems.	BIS Specialist	Bank Operations		
PC - 10	IT Transition	Transition systems to AI.	BIS Specialist	AI		
PC - 11	Compliance	Submit closing notes to BIS Manager.	BIS Specialist	BIS Manager		
PC - 12	IT Transition	Prepare inventory checklist of items shipped and ones left behind before leaving the bank.	BIS Support			
PC - 13	IT Transition	Create inventory sheet for post assets as part of handing over responsibility at the end of closing.	BIS Support			
PC - 14	IT Transition	Send email to all individuals to whom FDIC laptops have been issued explaining user responsibilities and return policy.	BIS Support			
PC - 15	IT Transition	Ship Proforma equipment to Dallas.	BIS Support			
PC - 16	IT Transition	DRR RIC and PCAM, signs an inventory listing of all equipment, laptops, scanners, routers, switches, & etc. Note: The signed inventory should be returned to Cheri Sims (DIT) after use.	BIS Manager			
PC - 17	Compliance	Submit exit memo.	BIS Manager			
PC - 18	Compliance	Delete all files from FDIC laptops.	All			
PC - 19	Compliance	Obtain approval from RIC to be released.	BIS Manager			
PC - 20	Document	Participate in lessons learned meeting.	All			

Failed Financial Institution Closing Manual - Section 14

Legal Division Closing Team

Contents

This section contains the following information on Legal Division Closing Team:

	Topic Title	
	Overview	14-2
	Closing Task Checklist	14-3
	Subsection: 14.1 - Pre-Closing Preparation	14-4
	Subsection: 14.2 - Closing Activities	14-5
	Subsection: 14.3 - Preparation and/or Review of Communications Items	14-6
	Subsection: 14.4 - Over-site of Inherited Litigation Intake	14-8
	Subsection: 14.5 - Review of Contingent Liabilities and Preparation of Closing Memoranda and the Closing Book	14-9
	Subsection: 14.6 - Exit Memorandum and Checklist to the Closing Manager	14-11
	Section 14: Exhibits	14-12

Overview

The mission of the Legal Division Closing Team (Legal Team) is to be responsive to the RIC and the Closing Manager, provide legal services in an efficient and timely manner, and complete the Legal Team's specific tasks as set forth in the Legal Division's policies and procedures.

The Legal Team will be headed by a designated attorney known as the "Lead Closing Attorney" and will consist of one or more attorneys, paralegals and legal secretaries, as appropriate. The role of the Closing Attorney and the Legal Team at institution closing can be divided into five general areas of responsibility:

1. Coordination of any and all legal issues with the RIC and the Closing Manager prior to Institution Closing.
2. Coordination of any and all legal issues with the RIC and the Closing Manager at Institution Closing.
3. Preparation and/or Review of Communications Items.
4. Review of Contingent Liabilities and Preparation of the Closing Memoranda and the Legal Closing Book.
5. Oversight of Inherited Litigation Intake.

Although each of these areas are important, the priority given to each of these areas and their underlying tasks will depend on many factors including:

- the size of the institution,
 - the type of transaction,
 - the number of legal staff,
 - the existence (or non-existence) of various types of assets or liabilities,
 - time considerations, and
 - other issues affecting the particular institution.
-

 Failed Financial Institution Closing Manual

Closing Task Checklist

Institution: _____ **FIN:** _____

Section 14: Legal Division Closing Team

Closing Task Checklist

Assigned To: _____

Sub section:	Completed:	Description:
14.1		Pre-Closing Preparation
14.2		Closing Activities
14.3		Preparation and/or Review of Communications Items
14.4		Over-site of Inherited Litigation Intake
14.5		Review of Contingent Liabilities and Preparation of Closing Memoranda and the Closing Book
14.6		Exit Memorandum and Checklist to the Closing Manager

Sign-Off: _____ **Date:** _____

Return all completed and signed task lists to the Closing Manager.

Failed Financial Institution Closing Manual

Pre-Closing Preparation

Institution: _____ **FIN:** _____

Section 14: Legal Division Closing Team

Subsection 14.1: Pre-Closing Preparation

Assigned To: _____

Task: Completed:

Description:

- | | |
|---|---|
| A | Provide the Closing Manager with copies of applicable transaction documents once a bid has been accepted (even though the executed originals cannot be released from escrow until institution closing). |
| B | Attend all pre-closing manager and staff meetings. |
| C | Review major contracts and agreements for specific legal issues as requested by the RIC or the Closing manager. |
| D | Develop the appropriate section of the Strategic Resolution Plan and provide to Receiver-in-Charge. |

Sign-Off: _____ **Date:** _____

Return all completed and signed task lists to the Closing Manager.

Closing Activities

Institution: _____ **FIN:** _____

Section 14: Legal Division Closing Team

Subsection 14.2: Closing Activities

Assigned To: _____

Task: Completed:	Description:
A	Accompany the RIC, the Closing Manager, and the representative from the applicable regulatory authority when the notice of Receivership is served on the institution.
B	On at least a daily basis, keep the RIC and the Closing Manager informed of the progress of the Legal Team, when the Legal Team expects to complete its work, and of any special issues that arise during the closing.
C	Attend all daily Functional Managers' meetings.
D	Attend the Settlement Meeting with the RIC, the Closing Manager, and the Assuming Institution.
E	Advise RIC and the Closing Manager on day-to-day matters as requested.
F	Ensure that PII/SI is secured and encrypted at all times.
G	Ensure PII/SI content on SharePoint, thumb drives, laptops, and e-mails is handled in compliance with FDIC Directives and Policy.
H	Confirm closing team members have executed all assigned tasks and have properly disposed of PII/SI in their possession.
I	Review completed tasks and confirm PII/SI compliance in accordance with FDIC Directives and Policy.

Sign-Off: _____ **Date:** _____

Return all completed and signed task lists to the Closing Manager.

Preparation and/or Review of Communications Items

Institution: _____ **FIN:** _____

Section 14: Legal Division Closing Team

Subsection 14.3: Preparation and/or Review of Communications Items

Assigned To: _____

Task: Completed:	Description:
A	Immediately upon institution closing, have the escrow agent release escrowed transaction documents and deliver originals to the Assuming Institution.
B	Obtain a copy of the Declaration of Insolvency, Appointment of Receiver, press release, and all other pertinent documents from regulatory authority closing the institution. Deliver original of Receiver's Acceptance of Appointment to regulatory authority.
C	Provide copies of transaction documents to the Closing Manager and other Functional Managers if requested. Post the document on Sharepoint.
D	Upon identification of any Qualified Financial Contracts by DRR and upon receipt from DRR of copies of such contracts, prepare and send QFC notice letters as appropriate within time frame provided by statute.
E	Obtain copy of FDIC's press release from the Office of Corporate Communications.
F	Obtain a copy of the Assuming Institution's press release, if any, and review for accuracy prior to publication.
G	Transmit original or .pdf version of resolution documents to the Executive Secretary in Washington, D.C., including the P&A or other transaction document, the Escrow Agreement, the Bid Instructions, the Winning and Losing Bids, the Declaration of Insolvency and/or the Appointment of Receiver, and the Receiver's Acceptance of Appointment.
H	Review and provide comments with respect to notices to depositors and creditors to be published by the Claims Department.
I	Review the Assuming Institution's proposed notice to depositors, as required by the applicable transaction documents, for accuracy and completeness.

Failed Financial Institution Closing Manual

Task: Completed:

Description:

- J If necessary, prepare the Assignment of Records and/or Records Accessibility Agreement.
- K Review and provide comments with respect to any notices to subordinated debt holders and/or shareholders to be mailed by the Claims Department.

Sign-Off: _____ **Date:** _____

Return all completed and signed task lists to the Closing Manager.

Failed Financial Institution Closing Manual

Over-site of Inherited Litigation Intake

Institution: _____ **FIN:** _____

Section 14: Legal Division Closing Team

Subsection 14.4: Over-site of Inherited Litigation Intake

Assigned To: _____

Task: Completed:	Description:
A	Provide notice to all the failed institution counsel concerning the institution closing.
B	Provide the Claims Department with the names and addresses of all failed institution counsels so that claims notices may be sent.
C	Provide the Claims Department with the names and addresses of all litigants, and their counsel, so that claims notices may be sent.
D	Contact failed institution counsel concerning all pending matters.
E	Obtain written status reports and/or case files from the failed institution counsel, as appropriate.
F	Assess all litigation matters and obtain stays of litigation in federal and state courts where appropriate.
G	Prepare inherited litigation reports for the Legal Closing Book.
H	Provide the Asset Manager with list of inherited litigation.
I	Transfer legal files relating to Purchased Assets to the Assuming Institution.

Sign-Off: _____ **Date:** _____

Return all completed and signed task lists to the Closing Manager.

Review of Contingent Liabilities and Preparation of Closing Memoranda and the Closing Book

Institution: _____ **FIN:** _____

Section 14: Legal Division Closing Team

Subsection 14.5: Review of Contingent Liabilities and Preparation of Closing Memoranda and the Closing Book

Assigned To: _____

Task: Completed:	Description:
A	Obtain copies of all relevant closing documents, including the Purchase and Assumption Agreement or other applicable transaction document, the Declaration of Insolvency and/or Appointment of FDIC as Receiver, the Winning Bid, Loan Sale Agreements (if any), the Escrow Agreement, etc., for the Legal Closing Book.
B	Prepare memorandum concerning introductory paragraph.
C	Prepare memorandum concerning qualified financial contracts.
D	Prepare memorandum concerning repudiation.
E	Prepare memorandum concerning employment contracts.
F	Prepare memorandum concerning loan participations purchased and sold.
G	Prepare memorandum concerning records assignment.
H	Prepare memorandum concerning owned and leased Institution Premises.
I	Prepare memorandum concerning contracts, leases and maintenance agreements (including sample repudiation letter).
J	Prepare memorandum concerning employee benefit plans.
K	Prepare memorandum concerning letters of credit (including sample repudiation letter).
L	Obtain copies of the published and mailed notices to depositors and creditors from the Claims Department for inclusion in the Closing Book.
M	Prepare memorandum concerning partially funded loan commitments (include sample repudiation letter).
N	Prepare list of shareholders, directors and officers.

Failed Financial Institution Closing Manual

Task: Completed:**Description:**

- O Review pending litigation and prepare inherited litigation reports required by Legal Division procedures.
- P Prepare memoranda as needed concerning account holds, deposit insurance determinations, offsets, statutes of limitation, and other issues. (See Exhibit 6.A: Hold Notice to Claims Manager)
- Q Prepare the Legal Closing Book and deliver, in electronic format, the original to the Closing Manager and copies to the RIC, Assets, Claims, Investigations, and Accounting.

Sign-Off: _____ **Date:** _____

Return all completed and signed task lists to the Closing Manager.

Exit Memorandum and Checklist to the Closing Manager

Institution: _____ **FIN:** _____

Section 14: Legal Division Closing Team

Subsection 14.6: Exit Memorandum and Checklist to the Closing Manager

Assigned To: _____

Task: Completed:

Description:

- | | |
|---|---|
| A | Ensure that all checklists and noted exhibits are submitted. |
| B | Provide applicable documents to the Closing Manager for the Inventory Book of Assets and Liabilities. |
| C | Prepare an Exit Memorandum to the Closing Manager in accordance to Exhibit 2.C: Exit Memorandum to the Closing Manager. Include the following: <ol style="list-style-type: none"> 1. Closing assignment 2. Description of tasks performed 3. Unresolved issues 4. Suggestions or problems encountered 5. General comments (if any) |

Sign-Off: _____ **Date:** _____

Return all completed and signed task lists to the Closing Manager.

Section 14: Exhibits

List of Exhibits

Exhibit 2.C: Exit Memorandum to the Closing Manager

Exhibit 6.A: Hold Notice to Claims Manager

Failed Financial Institution Closing Manual - Section 15

Trust Manager

Contents

This section contains the following information on Trust Manager:

	Topic Title	
	Overview	15-2
	Closing Task Checklist	15-3
	Subsection: 15.1 - Pre-Closing Preparation	15-4
	Subsection: 15.2 - Closing Activities	15-6
	Subsection: 15.3 - Reconciliation Process	15-8
	Subsection: 15.4 - Trust Department Liquidation Process	15-11
	Subsection: 15.5 - Exit Memorandum and Checklist to the Closing Manager	15-13
	Section 15: Exhibits	15-14

Overview

An institution may have and exercise trust powers in an organized Trust Department or on an as needed basis. For purposes of this manual, references to the Trust Department will refer to the use of trust powers in either a formal organization or individually. Trust powers enable representatives of the institution to act as trustee, agent, or fiduciary for customers. The Trust Department operates in a custodial capacity and will control and manage all the trust assets. The Trust Department is part of the institution, but is required to operate independently of the institution's commercial departments or functions. The trust assets are not assets of the failed institution and will not be included on the institution's general ledger. Due to the risks and responsibilities associated with acting in a custodial capacity, and the potential risks associated with administering or terminating Trust Agreements, Franchise Marketing makes every effort to transfer all trust powers with the deposits.

The Trust Manager is responsible for transferring the trust business to the Assuming Institution's Trust Department in accordance to the Purchase and Assumption Agreement or liquidating the trust business if there is no Assuming Institution. The Trust Manager will supervise and control the verification process of all assets and ensure the accurate accounting and transfer of the trust business. Prior to closing, the Trust Manager should review the examiner reports for the institution with particular attention to the sections called Examination Documentation, Trust Examination Documentation, and reports from ViSION. The Trust Manager should contact the examiner for assistance in locating these documents.

 Failed Financial Institution Closing Manual

Closing Task Checklist

Institution: _____ **FIN:** _____

Section 15: Trust Manager

Closing Task Checklist

Assigned To: _____

Sub section:	Completed:	Description:
15.1		Pre-Closing Preparation
15.2		Closing Activities
15.3		Reconciliation Process
15.4		Trust Department Liquidation Process
15.5		Exit Memorandum and Checklist to the Closing Manager

Sign-Off: _____ **Date:** _____

Return all completed and signed task lists to the Closing Manager.

Pre-Closing Preparation

Institution: _____ **FIN:** _____

Section 15: Trust Manager

Subsection 15.1: Pre-Closing Preparation

Assigned To: _____

Task:	Completed:	Description:
A		Obtain a copy of the Trust Department section from the information package and determine the composition of the Trust team.
B		Review the year-end Report of Condition Schedule RC-T, the Bank's annual report, DSC's examination report, the UBPR, information on VISION, or other documents (to the extent available) which discuss the trust function to develop an awareness of the nature, size, etc. of the bank's trust function.
C		Establish contact with the BIS Functional Manager to request reports and identify the software providers and system used.
		Note: the information needed for trust is typically contained on an entirely different application system, separate and distinct from either the loan application, the deposit application, or the general ledger application and typically provided by an entirely different vendor than the bank's core processing systems.
D		Discuss the failing institution transaction with Claims/Settlement. If the transaction is an insured deposit transfer or a payoff, the excess depositors and pledged assets must be identified. Claims may also require assistance in determining the unsecured creditors existing through the Trust Department.
E		Determine if the institution has been actively trying to sell its wealth management department for cash and to reduce outlays.
F		Research special provisions of the state's probate code for a failing institution having a Trust Department; discuss with legal. For example, some states require a specific pledge for acts of malfeasance by the Trust. This pledge must remain intact after the institution's failure.

Failed Financial Institution Closing Manual

- G Discuss with the Lead Closing Attorney and the Investigations Manager to determine if there are any special situations concerning the Trust Department.
- H Obtain a Trust Department Organization Chart.
- I Attend all pre-closing manager and staff meetings.
- J Develop the appropriate section of the Strategic Resolution Plan and provide to Receiver-in-Charge.

Sign-Off: _____ **Date:** _____

Return all completed and signed task lists to the Closing Manager.

 Failed Financial Institution Closing Manual

Closing Activities

Institution: _____ **FIN:** _____

Section 15: Trust Manager

Subsection 15.2: Closing Activities

Assigned To: _____

Task: Completed:	Description:
A	Obtain a copy of the signed Purchase and Assumption Agreement.
B	Determine who is the Assuming Institution Senior Trust Officer or the representative in charge of trust operations and make introductions.
C	Inquire as to any special processing procedures outside of the normal process.
D	Determine the location of all original assets and documents. Seal the trust vault, safe deposit box, and/or file cabinets and take control the keys for these. If the trust assets are not held in a vault, then the assets should be properly secured. This may require taking control of keys or ensuring that the keys to access trust assets have themselves been properly secured. In such situations, simply ensuring that the trust assets are under dual control may be the best possible procedure.
E	Obtain control of checks for corporate and personal trust accounts. If trust checks are generated through an auto-process involving an outside servicer, there may not be checks onsite to secure, but access requirements to generate auto-checks should be understood and secured if necessary to prevent unauthorized check issuance.
F	Disburse guidelines for telephone greeting.
G	Ensure that the daily work is processed.
H	Confirm wire procedures are up to date, if the trust department has its own wire transfer function. Make assurances that this area has been adequately secured.
I	Obtain a current copy of the institution's general ledger for the Trust Department.
J	Obtain a copy of all Nominee Partnership Agreements. Nominee is a name used by the Trust Department for registering securities.
K	Obtain and review the latest internal and external audits as well as trust

 Failed Financial Institution Closing Manual

Task: Completed:	Description:
	committee minutes to determine if there were problems in the trust department and if the institution had been carrying out its fiduciary responsibilities.
L	<p>Review the complaint file, which typically contains allegations of wrongdoing or alleged harm caused by the trust department.</p> <p style="padding-left: 40px;">If meritorious complaints are present, either in the complaint file or in some other form, these should be brought to the attention of the closing attorney.</p>
M	<p>Inquire as to default status on any corporate bond issues for which the bank is trustee.</p> <p style="padding-left: 40px;">If any corporate bond issues are in default/bankruptcy, this should be brought to the attention of the closing attorney.</p> <p style="padding-left: 40px;">If any corporate bonds in default are also owned by the bank itself for its own investment portfolio, a conflict of interest exists as to settling on collections of the bond and this also should be brought to the attention of the closing attorney.</p>
N	Obtain a list of assets pledged to the Trust Department by the institution.
O	Inquire about any pending litigation or bankruptcy proceedings by corporate trust customers, or civil suits. Refer copies to the Lead Closing Attorney and retain copies for the Assuming Institution.
P	Obtain copies of fidelity insurance policies. Policy may have been obtained separately from the commercial institution or may be a rider to institution's commercial policy. Note any special exclusions for the Trust Department.
Q	Review records retention list and determine records to forward to Assuming Institution.
R	Attend all daily Functional Mangers' meetings.
S	Ensure that PII/SI is secured and encrypted at all times.
T	Ensure PII/SI content on SharePoint, thumb drives, laptops, and e-mails is handled in compliance with FDIC Directives and Policy.
U	Confirm closing team members have executed all assigned tasks and have properly disposed of PII/SI in their possession.
V	Review completed tasks and confirm PII/SI compliance in accordance with FDIC Directives and Policy.

Sign-Off: _____ **Date:** _____

Return all completed and signed task lists to the Closing Manager.

Reconciliation Process

Institution: _____ **FIN:** _____

Section 15: Trust Manager

Subsection 15.3: Reconciliation Process

Assigned To: _____

Task: Completed:

Description:

- A Complete reconciliation of personal and corporate system cash accounts to checking account:
1. Personal: Principal cash + income cash = system cash which reconciles to checking account less outstanding checks and deposits.
 2. Corporate: Outstanding coupons/Checks and Bonds = system cash which reconciles to checking account.

If an out-of-balance situation exists, there could be an adjustment needed for Proforma purposes. If such a situation exists, consult with the Financial Manager to determine whether such an adjustment is considered appropriate.

- B Inventory all personal and corporate trust accounts.
- C Verify trust assets using dual control (FDIC, failed institution, and/or Assuming Institution) especially when inventorying the original documents in the vault.
- D Request statements on all deposits held outside the institution and investments with the depository institution, mutual funds, and brokerage houses. A “custody-location report” can be used to facilitate this task.
- The verification procedures can then vary depending upon the location of the assets:
1. For assets custodied onsite at the bank: Actually verifying each asset held onsite may require discretion in an assumption situation. A trust department (or the internal audit department) should conduct audits of all assets held onsite. Consequently, a report showing that all assets that have been coded as being held onsite have in fact already been verified by an independent employee as truly being onsite should be reviewed. Any material differences should

 Failed Financial Institution Closing Manual

Task: Completed:**Description:**

- be explored. Ensure dual control to access the vault.
2. For assets custodied by a broker: An updated broker statement should be obtained. Most brokerage statements can be prepared through online access. The holdings (number of shares of stock or units of bonds, etc) as shown on the brokerage statement should be reconciled to the trust department's asset holdings.
 3. For assets custodied by another bank or custody firm (such as BONY or SEI): The reconcilements for these holdings are often associated with automatic reporting systems. The department may be able to generate a report showing the holdings as stated by the custodian and the holdings as stated by the servicer, with any differences being readily apparent. If such a report cannot be generated, updated statements may need to be sought to the extent possible.
 4. For assets custodied by mutual funds: Cutoff statements may be available online. The number of shares held according to the trust department's records should be reconciled to the number of shares held according to the mutual fund statements.

- E Attempt to complete inventories and reconcile position statements with the assistance of the Assuming Institution and failed institution employees.
- F Inventory unissued stock and/or bonds used under the corporate trust capacity. Unissued items may be entered on the corporate trust system or as perpetual inventory log.

If the trust department serves as the registrar and transfer agent for corporate / municipal bond issues or for equity issues, then the records showing ownership should be secured so as to avoid inappropriate record alteration.

If the bank is a participant in a medallion guaranty program (STAMP, SEMP, or MSP), the medallion imprinter should be secured. (See Exhibit 4.D: Medallion Stamp Certificate of Destruction)

- G Reconcile suspense accounts. A suspense account is used when not enough information is available to post a transaction with the right offset. For example, dividends and interest are "paid" to the trust account on their payable date even if all the money from depositories and paying agents is not received on time.

 Failed Financial Institution Closing Manual

Task: Completed:	Description:
H	Inventory the Will file.
I	Prepare the balance sheet for the personal trust. Identify any adjustments. A split balance sheet may be necessary if the P&A is an insured-deposit transfer. Only the secured and insured bank deposits will pass to the Assuming Institution.
J	Prepare a list of corporate trust accounts. Include the total for cash on hand and outstanding coupons/bonds/checks.
K	Reconcile trust department fee revenue to the commercial bank's books to verify that trust fees are recognized on an accrual basis. If the reconciliation shows that fees are recognized on a cash basis, determine amount of trust fees receivable not on bank's books as of closing date. Provide a detailed listing of each account and the corresponding fee owed but not recognized on bank's books as of closing date, to the closing manager.
L	Complete a Trust Closing Book for the Closing Manager. (See Exhibit 15.A: Index of Trust Department Closing Information)

Sign-Off: _____ **Date:** _____

Return all completed and signed task lists to the Closing Manager.

Trust Department Liquidation Process

Institution: _____ **FIN:** _____

Section 15: Trust Manager

Subsection 15.4: Trust Department Liquidation Process

Assigned To: _____

Task: Completed:	Description:
A	Identify and contact key clients with a letter instructing them to obtain a new fiduciary by a deadline date or their account will be transferred to a named fiduciary.
	Note: Complex legal issues can arise from this as Irrevocable Trusts do not always give beneficiaries the right to choose trustees and there may be litigation or other risk issues making it difficult to find a successor trustee.
B	As clients respond with request to transfer accounts, process transfers using departmental procedures for account transfers.
C	Inventory all active administrative files ensuring all trust files / documents have been properly secured and each account has the appropriate governing instrument in file.
D	Confirm zero cash balances after money market funds have been liquidated.
E	Confirm all assets have moved out of failed bank/trust position with the Depository Trust Company (DTC) or other depositories.
F	Confirm all mutual funds have moved out of failed bank/trust positions at the funds.
G	Confirm all other assets have moved out of the failed bank. Receipts from the new or successor trustee acknowledging receipt of the assets should be obtained for miscellaneous assets such as jewelry, artwork, or other nontitled assets. Titled assets should be retitled in the name of the new or successor trustee.
H	Close all accounts on trust system.
I	Resign all positions as member on any Boards of Directors or be prepared to carry out the duties as a member of the Board.
J	Document failed bank/trust vendors affected by transfer and potential impact.

Failed Financial Institution Closing Manual

Task: Completed:

Description:

K

Submit repudiations for vendor contracts.

Sign-Off: _____ **Date:** _____

Return all completed and signed task lists to the Closing Manager.

Exit Memorandum and Checklist to the Closing Manager

Institution: _____ **FIN:** _____

Section 15: Trust Manager

Subsection 15.5: Exit Memorandum and Checklist to the Closing Manager

Assigned To: _____

Task: Completed:	Description:
A	Ensure that all checklists and noted exhibits (when deemed necessary) are submitted.
B	Prepare an Exit Memorandum to the Closing Manager in accordance to Exhibit 2.C: Exit Memorandum to the Closing Manager. Include the following: <ol style="list-style-type: none"> 1. Closing assignment 2. Description of tasks performed 3. Unresolved issues 4. Suggestions or problems encountered 5. General comments (if any)

Sign-Off: _____ **Date:** _____

Return all completed and signed task lists to the Closing Manager.

Section 15: Exhibits

List of Exhibits

Exhibit 2.C: Exit Memorandum to the Closing Manager

Exhibit 4.D: Medallion Stamp Certificate of Destruction

Exhibit 15.A: Index of Trust Department Closing Information

Exhibit 15.A: Index of Trust Department Closing Information

(Institution Name)

(City and State)

(FIN #)

- I. Pre-Closing Section
 - A. Information Package

- II. Legal Closing Documents
 - A. Purchase and Assumption Agreement

- III. Other Legal Documents
 - A. Partnership Agreements (if any)

- IV. Trust Department Operations
 - A. Audit Report (External)
 - B. Audit Report (Internal)
 - C. Administrative Review
 - D. Department Codes
 - E. Committee Report
 - F. Computer Reports
 - G. Employee Listing
 - H. Fee schedules
 - I. Income and Expense Statement

Failed Financial Institution Closing Manual

1. Corporate Trust
 2. Employee Benefit
 3. Personal Trust
- J. Insurance
- K. Policies on Acceptance of Accounts
- L. Statement of Condition
- M. 1099 Forms
- N. Trust Balances Report
- O. Trial Balance
- P. Statements of Accounts

V. Trust Department Inventories

- A. Last Will and Testaments
- B. Letters of Credit
- C. Corporate Trust Accounts
- D. Trust Assets (See security detail list)
- E. Trust Asset Exceptions
- F. Asset Cross Reference
- G. Unissued Items
- H. Bonds
- I. Miscellaneous

Failed Financial Institution Closing Manual – Section 16

Communications Manager

Contents

This section contains the following information on Communications Manager:

	Topic Title	
<u>Overview</u>		16-2
<u>Closing Task Checklist</u>		16-3
<u>Subsection: 16.1 - Pre-Closing Preparation</u>		16-4
<u>Subsection: 16.2 - Closing Activities</u>		16-5
<u>Subsection: 16.3 - Exit Memorandum and Checklist to the Closing Manager</u>		16-7
<u>Section 16: Exhibits</u>		16-8

Overview

The Communications Manager is responsible for coordinating all communication activity during the closing of an institution and for a few days after the closing. The person in this position works closely with the Receiver-in-Charge, the Closing Manager, the Office of Public Affairs, and the Ombudsman to ensure that fair and accurate information is disseminated to all internal and external sources.

To facilitate reading nightly communications on a blackberry or similar PDA device, all communications distributed electronically should include the full text of the report in the email, not as an attachment. Further, all communications should be consistently named for filing purposes. For example, “{Bank Name} Friday Night Status Report.”

 Failed Financial Institution Closing Manual

Closing Task Checklist

Institution: _____ **FIN:** _____

Section 16: Communications Manager
Closing Task Checklist
Assigned To: _____

Sub section:	Completed:	Description:
16.1		Pre-Closing Preparation
16.2		Closing Activities
16.3		Exit Memorandum and Checklist to the Closing Manager

Sign-Off: _____ **Date:** _____

 Return all completed and signed task lists to the Closing Manager.

 Failed Financial Institution Closing Manual

Pre-Closing Preparation

Institution: _____ **FIN:** _____

Section 16: Communications Manager

Subsection: 16.1: Pre-Closing Preparation

Assigned To: _____

Task:	Completed:	Description:
A		Attend all pre-closing manager and staff meetings.
B		Review the Press Release drafted by the Office of Public Affairs for accuracy, consistency, and spelling.
C		Ensure that the information in the message on the Closing Hotline is correct.
D		Review and provide input for the Question and Answer document prepared by the Ombudsman.
E		Review the Question and Answer document for loans if one is prepared by Asset Manager.
F		Ensure the closing notification email to Senior Management and the Closing Team Managers has been prepared by the Administrative Assistant. (See Exhibit 16.A: Notification the Bank has been Closed)
G		Review the failed bank web page content prepared by the DRR Internet Coordinator, for accuracy, consistency, and spelling.
H		Review the proposed closing greeting for the failed bank's phone system for accuracy and consistency.
I		Obtain an "Internet Air Card" and "Flash Drive" to be prepared to transmit the first night's report regardless of the internet connection environment at the institution.
J		Search FDIC Institution Directory or VISION for banks with a similar name. Be aware that if there are banks with similar names in close proximity to the failing bank, there may be some confusion and additional communications may be warranted.

Sign-Off: _____ **Date:** _____

Return all completed and signed task lists to the Closing Manager.

 Failed Financial Institution Closing Manual

Closing Activities

Institution: _____ **FIN:** _____

Section 16: Communications Manager

Subsection: 16.2: Closing Activities

Assigned To: _____

Task:	Completed:	Description:
A		<p>If requested, send the closing notification email of the successful Appointment of FDIC as Receiver to the approved list of individuals as noted on the RIC/CM website. (See Exhibit 16.B: Closing Weekend Communications and Distribution Lists)</p> <p>Note: This task may be performed by the Administrative Assistant at the RIC's discretion.</p>
B		If required, review the "welcome" letter that BIS sends via the failed bank's email system on behalf of the Assuming Institution the night of the closing. (See Exhibit 16.C: Example of Welcome Letter from the FDIC)
C		Review the memorandum from the Deputy Director concerning Closing Reports. (See Exhibit 16.D: Deputy Director Comments Weekend Memoranda)
D		Prepare and distribute a high-level summary of significant events on the evening of the closing. (See Exhibit 16.E: Friday Night Status Report) This report should be sent by 10:00 PM closing night. An email distribution list named "DRR Nightly Communications" has been created for this purpose. (See Exhibit 16.B: Closing Weekend Communications and Distribution Lists)
E		Ensure that all weekend communications notifications are uploaded to the failed bank's SharePoint site under the RIC - Closing Manager directory.
F		Attend all daily Functional Managers' meetings.
G		Ensure that PII/SI is secured and encrypted at all times.
H		Ensure PII/SI content on SharePoint, thumb drives, laptops, and e-mails is handled in compliance with FDIC Directives and Policy.

Failed Financial Institution Closing Manual

Task:	Completed:	Description:
I		Confirm closing team members have executed all assigned tasks and have properly disposed of PII/SI in their possession.
J		Review completed tasks and confirm PII/SI compliance in accordance with FDIC Directives and Policy.

Sign-Off: _____ **Date:** _____

Return all completed and signed task lists to the Closing Manager.

 Failed Financial Institution Closing Manual

Exit Memorandum and Checklist to the Closing Manager

Institution: _____ **FIN:** _____

Section 16: Communications Manager
Subsection 16.3: Exit Memorandum and Checklist to the Closing Manager
Assigned To: _____

Task: Completed:
Description:

- | | |
|---|---|
| A | Ensure that all checklists and noted exhibits are submitted. |
| B | Prepare an Exit Memorandum to the Closing Manager in accordance to Exhibit 2.C: Exit Memorandum to the Closing Manager. Include the following: <ol style="list-style-type: none"> 1. Closing assignment 2. Description of tasks performed 3. Unresolved issues 4. Suggestions or problems encountered 5. General comments (if any) |

Sign-Off: _____ **Date:** _____

 Return all completed and signed task lists to the Closing Manager.

Section 16: Exhibits

List of Exhibits

Exhibit 2.C: Exit Memorandum to the Closing Manager

Exhibit 16.A: Notification the Bank has been Closed

Exhibit 16.B: Closing Weekend Communications and Distribution Lists

Exhibit 16.C: Example of Welcome Letter from the FDIC

Exhibit 16.D: Deputy Director Comments Weekend Memoranda

Exhibit 16.E: Friday Night Status Report

Exhibit 16.A: Notification the Bank has been Closed

“Sent on behalf of RIC {NAME} and CM {NAME}. This email is to inform you that at {TIME} on {DAY}, {DATE}, the FDIC accepted the appointment as Receiver for {BANK NAME} in {CITY, STATE}. {THERE WERE NO} issues with customers, employees, or the press have been encountered. The bank will reopen for business under new management on {DAY}, {DATE}.”

Exhibit 16.B: CLOSING WEEKEND COMMUNICATIONS

Distribution Lists

The following distribution lists are updated periodically in Outlook with names of FDIC managers that should receive **Closing Night** and **Weekend Communications**. Distribution lists include the **DRR Closing Alert** and **DRR Nightly Communications**.

DRR Closing Alert distribution list (Notice of Appointment of Receivership)

The DRR Closing Alert is the distribution list used to give notice to DRR management of the appointment of receivership. It should be sent immediately upon acceptance of the appointment of receivership. **[Note that the Subject line of the alert email should also read "DRR Closing Alert."]**

In the region where a bank fails, the DSC Regional Director (RD) is to be notified in the DRR Closing Alert email that the bank has closed. This is the only name that needs to be added to the DRR Closing Alert email for every closing.

DRR NIGHTLY COMMUNICATIONS distribution list

The DRR Nightly Communications distribution list is used to give a status update closing night, to DRR management and appropriate closing team members. At the discretion of the RIC, and depending on the size of the failed institution, a status update may be given more often than closing night.

Exhibit 16.C: Example of Welcome Letter from the FDIC

IMPORTANT MESSAGE FROM FDIC TO THE EMPLOYEES OF Georgian Bank, Atlanta, GA

Georgian Bank was closed today by the Georgia Department of Finance, which appointed the Federal Deposit Insurance Corporation (FDIC) as receiver of the bank. To protect the depositors, the FDIC entered into a purchase and assumption agreement with First Citizens Bank and Trust Company, Inc., Columbia, SC, to assume all of the deposits of the bank.

The bank's five offices will reopen during normal business hours beginning Monday, September 27, 2009 as branches of First Citizens Bank and Trust Company. Depositors of the bank will automatically become depositors of First Citizens Bank and Trust Company. Over the weekend, depositors of the bank can access their money by writing checks or using ATM or debit cards. Checks drawn on the bank will continue to be processed. Loan customers should continue to make their payments as usual. The link to the FDIC press release www.fdic.gov/news is provided for your benefit.

BEFORE YOU GO HOME TODAY:

The FDIC, as Receiver, asks each of you, **before you go home tonight, to please complete your daily work as you would normally (week, month, or year end).** Since this is the last day of business for the bank we want to ensure that all transactions are completed and properly recorded.

PLEASE DO NOT TALK TO THE MEDIA:

Any calls from TV, radio and newspaper reporters should be referred to:

David Barr
202-898-6992 (office)
(b)(2),(b)(1) (cell)
dbarr@fdic.gov

PAYROLL INFORMATION:

Until notified of any changes, bank employees will be paid by First Citizens Bank and Trust Company. You will be given forms to complete. For those bank employees that work tonight and over the weekend, you will be paid overtime at the rate of 1.5x your

Failed Financial Institution Closing Manual

normal hourly wage. This will apply to both exempt and non-exempt bank employees for time worked in excess of 40 hours during the week.

WAIVER FORM:

We ask all employees of the bank to complete the attached Personnel Waiver Form. The form should be signed by every employee and returned to your supervisor who will submit them to the FDIC representative or HR on closing night. No employee personnel files will be turned over to First Citizens Bank and Trust Company until HR receives a copy of the signed Waiver Form.

{{ATTACH FORM HERE}}

BENEFITS QUESTION AND ANSWER GUIDE:

We recognize you are concerned about the effects the closing will have on your employment, pay, and benefits. The FDIC is preparing an employee Question and Answer Guide (Q&A) which should be available for distribution Saturday afternoon.

SUMMARY REMARKS:

The FDIC is committed to communicating with you as often as there is new information to report. You play an important role in this mission of the FDIC and we will be relying on your expertise to assist us in fulfilling our tasks. Your hard work and dedication during this challenging time is greatly appreciated. You, as well as bank customers, may visit the FDIC's web site at <http://www.fdic.gov/bank/individual/failed/index.html> for other closing information.

Again, thank you for your hard work and dedication in helping us through this transition.

Exhibit 16.D: Weekend Memoranda



Federal Deposit Insurance Corporation

250 Capitol Mall, N.W. | Washington, D.C. 20551 | www.fdic.gov

Ronald F. Baker

Deputy Director

Dallas Field Operations Bureau

MEMORANDUM TO: Receivers-in-Charge
Closing Managers

FROM: Ronald F. Baker
Deputy Director
Dallas Field Operations Bureau

DATE: August 26, 2008

SUBJECT: Communications on Closing Weekend
Weekend Memoranda

Thank you all for the work you have done and for producing timely and important weekend workweek memoranda. In order to serve the regulator, please include your burden for future reports. That asking each of you to keep in mind the following:

- 1) Please keep the narrative under each heading as brief as you can and leave out detail that may detract from the important issues.
- 2) Make sure that all information is accurate and that numerical and statistical information comes through in the memoranda.
- 3) The RUC and Closing Manager should edit and review for appropriateness and accuracy.

Please remember that these important reports have a wide distribution to the highest levels of the Corporation. I appreciate your diligence in producing a high quality and professional product.

cc: P. Lawry
W. Ostermiller
S. Brown

Exhibit 16.E: Friday Night Status Report

New guidelines for closing weekend status reporting:

- Closing Alert continues as normal.
- There will be **No Sunday** reports, but the Friday night will continue as outlined below.
- Talking points will continue but are sent only to the appropriate TSO Associate Director and Rob Schoppe.

Friday Night Report as follows:

(DO NOT SEND AS AN ATTACHMENT)

**Status Report
(Bank Name)
(Date)**

Significant or Unusual Issues/Concerns:

Customer Reaction:

Employee Reaction:

Media:

Failed Financial Institution Closing Manual - Section 17

Records Manager

Contents

This section contains the following information on Records Manager:

	Topic Title	
<u>Overview</u>		17-2
<u>Closing Task Checklist</u>		17-3
<u>Subsection: 17.1 - Pre-Closing Preparation</u>		17-4
<u>Subsection: 17.2 - Closing Activities</u>		17-5
<u>Subsection: 17.3 - Post Closing Activities</u>		17-8
<u>Subsection: 17.4 - Exit Memorandum and Checklist to the Closing Manager</u>		17-9
<u>Section 17 - Exhibits</u>		17-10

Failed Financial Institution Closing Manual

Overview

The Records Manager will be responsible for managing the Records Function at the resolution. These duties are contingent upon the type of resolution and the Purchase and Assumption Agreement which dictates whether FDIC will be responsible for identifying, retrieving, and shipping the records to off-site storage or if the Assuming Institution will retain custody of the records.

 Failed Financial Institution Closing Manual

Closing Task Checklist

Institution: _____ **FIN:** _____

Section 17: Records Manager
Closing Task Checklist
Assigned To: _____

Sub section:	Completed:	Description:
17.1		Pre-Closing Preparation
17.2		Closing Activities
17.3		Post Closing Activities
17.4		Exit Memorandum and Checklist to the Closing Manager

Sign-Off: _____ **Date:** _____

 Return all completed and signed task lists to the Closing Manager.

Pre-Closing Preparation

Institution: _____ **FIN:** _____

Section 17: Records Manager

Subsection 17.1: Pre-Closing Preparation

Assigned To: _____

Task:	Completed:	Description:
A		Attend all pre-closing manager and staff meetings.
B		Determine the type of transaction and confirm responsibility of the records functions and if a Records Accessibility Agreement needs to be prepared by the closing attorney.
C		Develop the appropriate section of the Strategic Resolution Plan and provide to the Receiver-in-Charge.
D		Determine locations and accessibility of the records at any off-site or branch locations. (Work through the CM.)
E		Identify person responsible for the bank's records. (Work through the CM.)
F		Coordinate with BIS if the bank has imaged records.
G		Notify the Facilities Manager of the number of boxes, labels, bags, tape, and ties that will be needed. Make sure that inventory templates are loaded on laptop.
H		Notify Records Manager in Dallas and Iron Mountain OSM if FDIC is to retain any records.

Sign-Off: _____ **Date:** _____

Return all completed and signed task lists to the Closing Manager.

Closing Activities

Institution: _____ **FIN:** _____

Section 17: Records Manager

Subsection 17.2: Closing Activities

Assigned To: _____

Task:	Completed:	Description:
A		Determine the type of transaction: All Deposit Transfer / Insured Deposits / Whole Bank, etc. Meet with the failed bank's person responsible for records to gather information about types and locations of records to be identified.
B		Determine if Brokered Deposits were transferred.
C		Interview the head of deposit, loan operations, and records staff and complete the Operations and Records Questionnaire. (See Exhibit 17.A: Operations and Records Questionnaire)
D		Meet with Investigations and determine how to coordinate activities.
E		<p>Locate, secure, and identify all physical records. (See Exhibit 17.B: Location of Records) Tag any files Investigations requests for further inspection. Physical records could include but are not limited to:</p> <ul style="list-style-type: none"> • Wire Log Register (remove and inventory) • Official Check Registers • CD Registers • Cashier Checks (remove and inventory per Investigator) • Money Orders • Expense Checks • Loan Checks • Interest Checks • General Ledger Tickets • Teller Tickets and Balance Sheets • Correspondent Bank Statements • FRB Tapes • Proof Tapes • Signature Cards – closed, open, dormant, safe deposit box • Hard Copy Reports not on film or fiche • DDA Charge off Ledgers

 Failed Financial Institution Closing Manual

Task:	Completed:	Description:
		<ul style="list-style-type: none"> • Currency Transaction Reports for the last 3 years • 1099's not on fiche or film • Paid Loan Files • Adverse Action / Turn Down Files • Broker Loan Files • LPO – Loan Production Office Files • Loan in Progress Files
F		<p>Request copies of the following items, scan them, and post in SharePoint.</p> <ul style="list-style-type: none"> • List of statement cycles and dates • Proof Machine Codes • Computer transaction codes – DDA, SAV, Loans • Chart of General Ledger Accounts
G		<p>Identify all records at all locations. If required, provide high level inventory list and mapping of the storage area(s) to both the Closing Team and to the Investigations Team. If files are in an off-site facility, note any access codes and contact information.</p>
H		<p>If any records are maintained or shipped, ensure that all boxes are tagged, bagged (if necessary), labeled, inventoried, and sent to Iron Mountain. (See Exhibit 17.C: Records Inventory Procedures for Off-site Locations)</p>
I		<p>Prepare a separate version of high level inventory along with a cover letter to the Assuming Institution and, if applicable, remove references to files or boxes retained by Investigations.</p>
J		<p>Prepare a memo for the research file describing how the failed bank's research function was handled, the types of records held by the bank and any information that may be helpful once back in the office.</p>
K		<p>Assist Investigations as needed during the closing weekend and perform any onsite research requested.</p>
L		<p>Attend all daily Functional Manager's meetings.</p>
M		<p>Put all electronic closing documents (Checklist, Questionnaire, Inventory, Mapping, Receipt of Records and etc.) in the Failed Bank's SharePoint folder for the closing book.</p>
N		<p>Ensure that PII/SI is secured and encrypted at all times.</p>
O		<p>Ensure PII/SI content on SharePoint, thumb drives, laptops, and e-mails is handled in compliance with FDIC Directives and Policy.</p>

Failed Financial Institution Closing Manual

Task:	Completed:	Description:
P		Confirm closing team members have executed all assigned tasks and have properly disposed of PII/SI in their possession.
Q		Review completed tasks and confirm PII/SI compliance in accordance with FDIC Directives and Policy.

Sign-Off: _____ **Date:** _____

Return all completed and signed task lists to the Closing Manager.

 Failed Financial Institution Closing Manual

Post Closing Activities

Institution: _____ **FIN:** _____

Section 17: Records Manager
Subsection 17.3: Post Closing Activities
Assigned To: _____

Task:	Completed:	Description:
A		Deliver inventory of records to Records Manager.
B		Confirm with Iron Mountain the pick up of any boxes for shipment from the bank site.
C		Maintain dialogue with Field Staff to make sure any discovered files and accounted for and shipped to the appropriate location.

Sign-Off: _____ **Date:** _____

 Return all completed and signed task lists to the Closing Manager.

Exit Memorandum and Checklist to the Closing Manager

Institution: _____ **FIN:** _____

Section 17: Records Manager

Subsection 17.4: Exit Memorandum and Checklist to the Closing Manager

Assigned To: _____

Task: Completed:	Description:
A	<p>Ensure that all checklists and noted exhibits are submitted.</p> <p>Include a copy of the high level inventory of records and any mapping or additional information. The following individuals should be included in the email.</p> <ul style="list-style-type: none"> • RIC • Investigations Manager • Facilities Manager • Customer Service Manager • Closing Manager • DFOB Records Analyst (if records taken)
B	<p>Prepare an Exit Memorandum to the Closing Manager in accordance to Exhibit 2.C: Exit Memorandum to the Closing Manager. Include the following:</p> <ol style="list-style-type: none"> 1. Closing assignment 2. Description of tasks performed 3. Unresolved issues 4. Suggestions or problems encountered 5. General comments (if any)

Sign-Off: _____ **Date:** _____

Return all completed and signed task lists to the Closing Manager.

Section 17: Exhibits

List of Exhibits

Exhibit 2.C: Exit Memorandum to the Closing Manager

Exhibit 17.A: Operations and Records Questionnaire

Exhibit 17.B: Location of Records

Exhibit 17.C: Records Inventory Procedures for Off-site Locations

Exhibit 17.A: Operations and Records Questionnaire

Institution Name:	
FIN #:	
Date:	
Technician:	

SAVINGS, BOOKKEEPING

- a. How are account numbers assigned:
- Commercial
 - Personal
 - Employee
 - Regular
 - Money Market
 - Savings
 - CD
- b. When are official check statements cycled?
- c. When are officer/employee statements cycled?
- d. Are statements for closed accounts cycled on the day of closing or the next regular cycle?
- e. Are statements on microfiche (), microfilm (), computer system (), other ()?
- f. Who does reconciliation of: DDA:
Savings:
CD:
- g. Are wire transfers online with the Federal Reserve? If not, provide name of correspondent bank.
- h. How are DDA reject/unposted items reprocessed?
- i. What amount denotes a large item?
- j. Are large items filmed/scanned separately?
- k. What work is usually done online? Is there a source document (paper backup) for these entries?

Failed Financial Institutions Closing Manual

- l. Is there a report printed daily that lists online entries?
- m. Who do you report charged-off accounts to? List your member number.
- n. If we were searching for an account number on an individual, how could it be located? Active Account –
Closed Account –

COMPUTER SERVICING/CONVERSIONS

- a. Who does your computer servicing? How long?
- b. Have there been any conversions in the past seven years? If so, please provide information.

PROOF OPERATIONS

- a. What type of proof operation do you have?
Multi-Pocket (), POD (), Single Pocket (). How Long?
- b. If the proof operation is done elsewhere, provide name of processor and/or clearing bank.
- c. Is work filmed before, during, or after proof?

MICROFICHE AND MICROFILM

- a. What reports are on microfiche? How long? If reports are not fiche, are they filmed or on hard copy only? How long are hard copy reports retained?
- b. How many copies of each report do you receive?
- c. Is each area given copies of fiche? Is a complete master fiche filed daily?
- d. Check work that is filmed on a daily basis. Is a log kept?
 - () cashiers checks, expense checks, loan proceed checks, money orders
 - () commercial and DDA checks
 - () general ledger tickets
 - () cash tickets
 - () savings deposits and withdrawals
 - () new loans

Failed Financial Institutions Closing Manual

- e. Is there any work that has not been filmed daily?
- f. How many types of film are there? (bookkeeping, proof, computer, etc.)
- g. Does your bank process work for branches or other banks? If so, how can they be located on the film?

LOANS AND PARTICIPATIONS

- a. Is there a subsidiary ledger for charged-offs? Who posts the ledger?
- b. Are loans funded from written or oral instructions?
- c. What types of checks are used when funding loans?
- d. Are new notes filmed/scanned daily?
- e. How are rejects on loans handled?
- f. Is there anything special about how note numbers are assigned for the following:
 - Commercial _____
 - Installment _____
 - Real Estate _____
 - Mortgage _____
- g. Are general ledger tickets made for each separate loan transaction? Payments, renewals, advances, etc.?
- h. Is a new number assigned on renewed notes?
- i. How can you identify a participation on the computer printout?

MISCELLANEOUS

- a. Are there any off-site storage facilities?
- b. Is film, fiche, or back up data stored anywhere other than the bank? If so, where?
- c. What time frame is used for the retention of records? Have any records been destroyed recently in the last 2 years?

Failed Financial Institutions Closing Manual

PLEASE RETRIEVE A COPY OF THE FOLLOWING:

List of statement cycles and dates

Computer transaction codes for DDA, Savings, Loans, and CD's

Chart of General Ledger Accounts

CD Penalty List (on back of certificate of deposit)

Exhibit 17.B: Location of Records

FDIC as Receiver for Bank, City, State

Inspection of the following sites identified records to be receipted to First California Bank, Westlake Village, California by the FDIC Receiver of 1st Centennial Bank, Redlands, California. The records identified are, but not limited to:

Main: 218 E. State Street
Redlands, California 92373

- *Merchant Card Files
- *Business Visa Files
- *Personal Visa Files
- *A/P Records
- *Trust DDA Statements
- *HR Records
- *Audit Reports
- *Profit & Loss Records
- *Daily Work Retained Records
- *Signature Card Records
- *Loan Administration & Servicing Records
- *DDA Retained Records

Main Offsite Repository of Retained Records
Burgess Moving & Storage
1601 Iowa Ave. POB 5547
Riverside California 92517-5547
951-682-5321 Contact Ext. #29
Month to Month Contract

Branch: 355 West Grand Avenue
Escondido, California 92025

- *Adverse Action/Turn down Files
- *Daily Work Retained Records
- *Interest Checks Retained Records
- *Loan Checks
- *DDA Retained Records
- *Paid Loan Files
- *HOA Withdrawn Files
- *Signature Card Retained Records
- *CD Records
- *Cashiers Check Retained Records

Exhibit 17.C: Records Inventory Procedures for Off-site Locations

These procedures are to be used when records are being sent directly to an Iron Mountain location and are not being brought back into the Dallas Regional Office.

- Obtain Iron Mountain (IM) vendor labels for Records Management by submitting an e-mail to BoxRequestorFDIC@FDIC.gov indicating the estimated amount needed. If you do not have e-mail access, contact DOA, Iron Mountain to request the labels.
- Complete the ARMS Template Doc for **each** carton of records. Save each document on a CD or the shared drive using the Box/Vendor Number as the name of the doc. The original template should always remain blank for the next inventory. The documents of the inventories should also be saved to hard drive on your computer in case the CD gets corrupted. Print the inventory and make two copies after the small label is placed on the original. (See next bullet for instructions for label placement). All files containing Personal Information such as social security numbers, names and birthdates as well as personnel files will need to be placed in heavy duty plastic bags inside the double walled Iron Mountain Box and then “zip-tied” prior to sealing the box with heavy duty packing tape.

1st copy to be sent to Dallas with the diskette

2nd copy to be placed in the box with the contents

3rd copy to be retained by program area inputting the records, if applicable.

- Place the larger IM Vendor number on the **lower left hand corner** of the small end of the bankers box (a double walled carton). The small label is placed on the inventory sheet in a visible location where it won't cover any of the writing, preferably the upper right hand corner.
- Per Directive 1210.16 Standards for Creating Records Inventories: all institution records must be inventoried at a container level. Terminated employee and closed loan inventories must include individual file folder listings (individual names). Institution records must also include dates Month/date/year.”

PROCEDURES FOR ARCHIVING RECORDS AT IRON MOUNTAIN

- When the inventory process is complete and you are ready to send the boxes to Iron Mountain to be stored, send an e-mail to BoxRequestorFDIC@FDIC.gov. Coordinate the pick up of boxes with the Iron Mountain Oversight Manager in Washington to make sure the project falls within the scope of the contract. List the box numbers and the number of cartons to be picked up. Also, if any of the cartons contain film, diskettes or CD's they must be sent to the Climate Control Vault at Iron Mountain and those box numbers need to be listed separately from those going to regular storage. A **"Climate Control"** label should also be placed on these boxes just above the "Vendor Label" on the box. These labels can be made with any address label in Word and should be highlighted with a bright highlighter.
- Place a copy of the list of the boxes on the front of one of the boxes to be picked up. Iron Mountain will need it to go with their paper work. Another copy of it should be attached to the copy of the Service Order that Iron Mountain will leave. These copies need to be sent to the FDIC Dallas Office at: FDIC – DOA, Iron Mountain, 1601 Bryan Street, Dallas, TX 75201

Failed Financial Institution Closing Manual - Section 18

Ombudsman

Contents

This section contains the following information on the Ombudsman:

	Topic Title	
Overview		18-2
Closing Task Checklist		18-3
Subsection: 18.1 - Pre-Closing Preparation		18-4
Subsection: 18.2 - Closing Activities		18-6
Subsection: 18.3 - Exit Memorandum and Checklist to the Closing Manager		18-9
Section 18 – Exhibits		18-10

Overview

When requested by DRR to participate in an institution closing, the Office of the Ombudsman's (OO) primary role is to promote public confidence in the banking system and in FDIC as Insurer, Receiver, and Regulator.

The OO coordinates and works closely with the RIC and Closing Manager to do the following:

- 1) Serve as an onsite information resource.
- 2) Respond to general inquiries.
- 3) Facilitate the resolution of problems and complaints from the general public, the closing team and other affected parties.
- 4) Develop positive working relationships with all parties.
- 5) Enhance overall communications throughout the closing process.
- 6) Assist in identifying customer needs before they become problems.

Central to this function is ensuring that lines of communication remain open among all parties involved in the closing, including:

- 1) Closing team members,
- 2) Depositors,
- 3) Debtors,
- 4) Shareholders,
- 5) Creditors,
- 6) Institution employees,
- 7) Representatives of the assuming institution(s), and
- 8) Community leaders and organizations (discuss with OPA, OO management and RIC/CM when appropriate).

In addition, the OO strives to ensure that the public receives prompt, courteous assistance and service by supporting the closing team and facilitating the closing process.

Each institution closing is unique. OO personnel must be prepared to adjust to rapidly changing conditions and to respond to unanticipated problems by remaining neutral and using initiative, good judgment and technical Ombudsman skills.

 Failed Financial Institution Closing Manual

Closing Task Checklist

Institution: _____ **FIN:** _____

Section 18: Ombudsman

Closing Task Checklist

Assigned To: _____

Sub section:	Completed:	Description:
18.1		<u>Pre-Closing Preparation</u>
18.2		<u>Closing Activities</u>
18.3		<u>Exit Memorandum and Checklist to the Closing Manager</u>

Sign-Off: _____ **Date:** _____

Return all completed and signed task lists to the Closing Manager.

Pre-Closing Preparation

Institution: _____ **FIN:** _____

Section 18: Ombudsman

Subsection 18.1: Pre-Closing Preparation

Assigned To: _____

Task:	Completed:	Description:
A		Attend all pre-closing manager and staff meetings to identify any unique issues and/or scenarios, along with options. Note: The DRR sharepoint site for the bank should be reviewed in full. The Claims-Deposit folder should be reviewed for the uninsured estimate memo and to identify sensitive issues/uninsured depositors.
B		Develop the appropriate section of the Strategic Resolution Plan using template on OO Sharepoint site. Provide to the Receiver-in-Charge and Closing Manager.
C		Meet with the Receiver-in-Charge, Closing Manager, and Claim Agent-in-Charge as soon as possible to discuss OO's role and determine if there are any matters deemed sensitive or significant. These may include foreign language and translation needs, issues which may impact a large number of people, high uninsured, fraudulent actions, underserved banking community (only bank in area), elderly or minority population, small and/or farming towns, etc.
D		Hold a strategy meeting with OO management to discuss staffing needs and sensitive or other issues.
E		Create a sharepoint folder in the OO's Closing Documents sharepoint site under Bank Folders to save all key documents and emails pertaining to the closing. This is critical for ease of transfer if the bank is reassigned.
F		Participate, if possible, in the Assuming Institution(s) meetings. Introduce OO reps and explain media and public confidence role. Identify AI media contact to coordinate media requests and review the Q&A.

 Failed Financial Institution Closing Manual

Task:	Completed:	Description:
G		Review the draft press release provided by OPA. Call phone numbers to verify accuracy and coordinate review and changes with RIC and CM.
H		Prepare Question and Answer guide using templates on OO's Sharepoint site. See Q&A Process document and template comments for details, including translation process.
I		<p>Ensure travel arrangements are made and appropriate literature will be available at closing for distribution to media, public, and employees. Literature should include:</p> <ul style="list-style-type: none"> ◆ OO business cards ◆ Press Release (also available on the internet) ◆ Q&A ◆ Generic merchant letter explaining cause of returned items (For payoff - obtain from Claims) ◆ Explanation of dividend process (insured deposits - from website) <p>Copies of this information can be made at the closing site.</p>
J		Obtain email contact information for the appropriate state trade associations and banking commissioner (if not the chartering agency for the failed bank). This will be used to provide a "courtesy" notice of the failure, along with a link to the Failed Bank information on the FDIC website. Your contact information should be provided in the event the organization or their membership has questions.

Sign-Off: _____ **Date:** _____

Return all completed and signed task lists to the Closing Manager.

Closing Activities

Institution: _____ **FIN:** _____

Section 18: Ombudsman

Subsection 18.2: Closing Activities

Assigned To: _____

Task:	Completed:	Description:
A		Attend all daily Functional Manager's meetings.
B		Coordinate with the RIC and Closing Manager to participate with the FDIC initial closing group. This may mean entering as part of the initial team going into the institution, or before the all-employee meeting, if possible and space permits. The main purpose of early entry is to explain the public confidence and media role and purpose of the Ombudsman to the failed institution staff. The Q&A should be referenced as their guide and copies should be made available.
C		Assess requirements for and facilitate communication as part of Public Confidence role. Coordinate with the RIC and Closing Manager on the following items: <p>Bank personnel not utilized by closing team may also assist in answering phones and/or responding to customer inquiries after being given the Q&A and being briefed by FDIC personnel. Assure them they may refer any call or customer to the OO if they feel uncomfortable responding, encounter a question they cannot answer, or have an angry customer.</p> <p>Coordinate distribution of appropriate literature to address questions asked by the general public regarding the closing. (Q&A, dividend explanation, generic merchant letter explaining why checks in a payout are returned and not the fault of the customer.)</p>
D		Channel inquiries to the appropriate subject matter experts at the event. If in doubt as to the appropriate area, coordinate with the RIC or Closing Manager.
E		Serve as onsite media contact if requested by OPA. This is a back-up role to OPA. The OPA contact number will be included in the press release, and they will direct any requests for onsite media contacts to the OO representative. If any local media

 Failed Financial Institution Closing Manual

Task:	Completed:	Description:
		contacts need to be identified, OPA will provide this information. (See Exhibit 18.A: Media Role)
F		<p>Review local papers and internet for any closing coverage. These can also be saved to the DRR sharepoint site established for the failed bank. Provide copies of any articles, or links to articles, to the following parties:</p> <ul style="list-style-type: none"> • Administrative Assistant (for closing book and files) • RIC • Closing Manager • OPA • OO Management
G		Review copies of any large-scale outgoing correspondence to depositors, borrowers, etc. to assist in anticipating customer questions and volume and determining appropriate responses or referrals to FDIC representatives. Also, this will be especially helpful when letters are sent to customers advising them a hold has been placed on their account or any other notification that may result in increased customer inquiries.
H		Provide problem resolution and conflict management support when needed.
I		Offer to assist other closing functions during slow periods, if possible. Emphasize that the public confidence role is the OO priority, and the OO will need to be available for customer inquiries whenever they arise.
J		Manage the OO's cases as needed and maintain a log of significant cases and complaints.
		Note: General inquiries and routine questions can be summarized and do not require detailed information.
K		Coordinate with the RIC and Closing Manager to determine appropriate departure date of OO staff, which is generally when call volume and media inquiries decrease to a level which can be handled by remaining staff.

 Failed Financial Institution Closing Manual

Task: Completed:**Description:**

In Whole Bank and All Deposit transactions, experience has shown that customer volume is fairly normal on Monday. With the approval of the CM, the OO representative can usually be released Monday afternoon or COB if necessary.

If the institution observes Saturday hours, ongoing OO assistance on Monday should be reviewed with the RIC and CM based on customer reaction on Saturday, number of branches open on Saturday and type of service (drive-up hours only vs. full-service hours.)

- L Ensure that PII/SI is secured and encrypted at all times.
- M Ensure PII/SI content on SharePoint, thumb drives, laptops, and e-mails is handled in compliance with FDIC Directives and Policy.
- N Confirm closing team members have executed all assigned tasks and have properly disposed of PII/SI in their possession.
- O Review completed tasks and confirm PII/SI compliance in accordance with FDIC Directives and Policy.

Sign-Off: _____ **Date:** _____

Return all completed and signed task lists to the Closing Manager.

 Failed Financial Institution Closing Manual

Exit Memorandum and Checklist to the Closing Manager

Institution: _____ **FIN:** _____

Section 18: Ombudsman
Subsection 18.3: Exit Memorandum and Checklist to the Closing Manager
Assigned To: _____

Task: Completed:
Description:

- | | |
|---|---|
| A | Ensure that all checklists and noted exhibits are submitted. |
| B | Prepare an Exit Memorandum to the Closing Manager in accordance to Exhibit 2.C: Exit Memorandum to the Closing Manager. Identify key issues handled by OO, as well as media contacts handled. Include any observations or systemic issues noted. Also include the following: <ol style="list-style-type: none"> 1. Closing assignment 2. Description of tasks performed 3. Unresolved issues 4. Suggestions or problems encountered 5. General comments (if any) |

Sign-Off: _____ **Date:** _____

 Return all completed and signed task lists to the Closing Manager.

Section 18: Exhibits

List of Exhibits

Exhibit 2.C: Exit Memorandum to the Closing Manager

Exhibit 18.A: Media Role

Exhibit 18.A: Media Role

If requested by the Office of Public Affairs (OPA), the Ombudsman may serve as back-up media contact for OPA. If so requested, it is critical that OO staff at institution closings only provide factual information to the media. OO staff at bank closings should coordinate with OPA any responses or referrals for any matters deemed sensitive by OPA which are particular to the institution. If information is requested by the media that is non-factual, the inquiry should be referred to OPA Assistant Director David Barr.

Talking Points:

Calls relating to policy and “big picture” inquiries (such as how does this fit in with recent failures, is this indicative of the mortgage crisis, etc.) should be directed to OPA staff at the closing or to David Barr in Washington at 202-898-6992 or his cell phone at

(b)(2), (b)(6) The primary OPA contact for the closing will be listed at the top of the press release.

Bank-Specific Questions:

Calls relating to specifics of the transaction should be referred to the Ombudsman on location. OPA in Washington serves as a back up. A complete set of questions in the form of a Q&A is developed by OO and the closing team. Bank-specific questions include some of the following:

- 1) “What should consumers do?”
- 2) “Are checks still good?”
- 3) “Are my accounts insured?”
- 4) “How many FDIC officials are here?”
- 5) “What will happen to the employees of this bank?”

Message:

Talk to the reporter as if they are a conduit to the customers of the failed bank. Use simple terminology and as much as possible weave in various messages. These messages are as follows:

- 1) **Business as usual** (All Deposits or Whole Bank transactions)
 - ...for the vast majority of depositors (insured deposits)
 - Customers can continue to use same checks, ATM/debit cards until notified
 - Direct deposits, including Social Security checks, continue as usual
 - Loan payments should continue to be made as usual using same information
- 2) **FDIC is here to protect the depositor**
- 3) **Immediate goal is to provide access to deposits as quickly as possible**
(good to use if reporters start asking about investigations and such things)

Failed Financial Institutions Closing Manual

4) **FDIC has always met its obligation to insured depositors**

- No depositor has ever lost a penny of insured deposits
- Payout: Checks should be received in the mail within one week

Bids:

It is acceptable to provide the number of bidders (we received five bids, but that may mean one or two of the bidders submitted multiple bids). The only bidder to be identified by name is the Assuming Institution.

Supervisory Matters:

Some reporters may have been following events at the bank closely, such as supervisory matters, on which we cannot comment. If they push and prod with that line of questioning, a good response is to say that right now the FDIC's focus is on getting the depositors their insured funds and refer the reporter to Washington-OPA.

Reasons for Bank Closure:

If reporters question the reason the bank was closed, advise them the FDIC did not close the bank. It was closed by the chartering agency (OCC, OTS, or State Banking Commissioner), and FDIC was named as Receiver. The OPA Assistant Director will provide talking points regarding reasons for the closure when possible. You can provide them with any press release from the chartering agency and advise them to call the number listed on that press release if they have further questions about the reason for closure. This press release will be posted on the front door of the institution.

Investigation:

After a bank fails, the question inevitably arises about people going to jail and the FDIC going after employees. Stress the following:

- 1) Every time an FDIC-insured institution fails, the FDIC conducts an investigation.
- 2) FDIC does not have jurisdiction over criminal matters; however, a referral to law enforcement will be made if anything is found which is deemed to be unusual or criminal in nature.
- 3) If a referral is made, this will not be disclosed.
- 4) Advise them these routine investigations take a considerable amount of time, and then get back to the main message: our immediate concern is to make sure that depositors have access to their funds as soon as possible. It helps deflect the question away from investigations.

FDIC Role:

Another routine question is "what is it that the FDIC is doing in the bank?" Go over what is being done to get the customers their money, e.g. balancing accounts, making insurance determinations, preparing for transition to the Assuming Institution (P&A or Whole Bank), printing checks (Payoff). Mention the various teams (Claims, Accounting,

Failed Financial Institutions Closing Manual

Legal, etc.) and the long hours involved in the process of FDIC meetings its insurance obligation.

Failed Financial Institution Closing Manual - Section 19

Subsidiaries Manager

Contents

This section contains the following information on Subsidiaries:

Topic Subsidiaries

Overview	19-2
Closing Task Checklist	19-3
Subsection: 19.1 - Pre-Closing Preparation	19-4
Subsection: 19.2 - Closing Activities	19-6
Subsection: 19.3 - Exit Memorandum and Checklist to the Closing Manager	19-10
Section 19: Exhibits	19-11

Overview

The Subsidiaries section deals with separate legal entities that are owned in full or in part by failed financial institutions for the purpose of conducting business activities not normally associated with the banking or savings and loan industries or where the failed financial institutions were shielding themselves from any liability for the actions of the Entity. These legal entities may take the form of subsidiary corporations, joint ventures, limited liability companies, trusts and partnerships (Entities).

When a financial institution fails, FDIC in its capacity as Receiver for the closed financial institution becomes the owner of whatever interest the former financial institution held in the business entity. Even though the financial institution has failed, the Entities it owned do not fail, and must continue to be operated as separate Entities.

The Entities acquired from closed financial institutions will vary in size, location and quality of assets. The types and lines of business for these Entities will also vary, e.g., credit card operations, mortgage companies, travel agencies, real estate holding companies, loan servicing, equipment leasing, real estate development, consumer finance, and insurance companies. The Entities will be in various stages of their life cycle: shell corporations, operating entities, non-operating entities and dormant entities.

For more complete information, please refer the Subsidiary, Joint Venture, LLC, Trust And Partnership Management Agreement Job Aid.

Failed Financial Institution Closing Manual

Closing Task Checklist

Institution: _____ **FIN:** _____

Section 19: Subsidiaries

Closing Task Checklist

Assigned To: _____

Sub Section:	Completed:	Description:
19.1	<input type="checkbox"/>	<input type="checkbox"/> Pre-Closing Preparation
19.2	<input type="checkbox"/>	<input type="checkbox"/> Closing Weekend Activities

Sign-Off: _____ **Date:** _____

Return all completed and signed task lists to the Closing Manager.

 Failed Financial Institution Closing Manual

Pre-Closing Preparation

Institution: _____ **FIN:** _____

Section 19: Subsidiaries

Subsection 19.1: Pre-Closing Preparation

Assigned To: _____

Task: Completed:	Description:
A	Attend all pre-closing meetings to understand the scope of work to be accomplished.
B	Develop the appropriate section of the Strategic Resolution Plan and provide to Receiver-in-Charge.
C	Contact Dallas Contracting to coordinate the Subsidiary Management Assistance Contractor (SMAC). Submit Task Order Funding Case with Case #, budget and SRP to OM.
D	Contact the DIT Closing Pool team via e-mail (DITClosingPool@fdic.gov) to request laptops and tokens for the SMAC Contractors.
E	Search Secretary of State filings to check for the status and register date of the subsidiaries.
F	Search Bank Holding Company 10Q to check for additional subsidiaries or any other information on known subsidiaries.
G	Search SharePoint for all subsidiary applicable information. If you do not have access to SharePoint, submit request to RIC for access to SharePoint.
H	Advise the PCAM RAC Team, Asset Marketing (for loan inventory) and the ORE Management if the Entity owns loans or OREs. If the Entity owns securities or trusts, coordinate with Capital Markets.
I	If necessary, contact Legal for assistance for subsidiary related matters.
J	Obtain as much subsidiary or Entity legal, financial, organization, and portfolio information as possible from the FAMB on-site representative.

Failed Financial Institution Closing Manual

Task: Completed:

Description:

- K Hold pre-closing meeting with SMAC if deemed necessary. Make sure SMAC has FDIC badge and token prior to closing weekend.
- L If Subsidiary goes to the Assuming Institution, send pre-populated 4Cs template to Interim Servicing Manager and copy Financial Manager prior to closing day.

Sign-Off: _____ **Date:** _____

Return all completed and signed task lists to the Closing Manager.

Closing Activities

Institution: _____ **FIN:** _____

Section 19: Subsidiaries

Subsection 19.2: Closing Activities

Assigned To: _____

Task:	Completed:	Description:
A		Attend all daily Functional Manager's meetings.
B		Identify bank SME for subsidiaries and interview Officers if necessary. Collect minute books and Organizational documents of the subsidiaries.
C		After consulting FDIC Legal, prepare and enter a case in FACTS to authorize the election of subsidiary board members and performance of duties by the new subsidiary board members and officers. Ensure there are no negative implications with the changes. Ensure that the Board Resolution removes all former Directors and Officers.
D		Search for unknown subsidiaries. Consult with the Proforma Team to identify, determine, or compare existence of subsidiaries or Entities.
E		Determine if any of the subsidiaries are regulated by a state or federal agency.
F		As needed, obtain from FDIC Legal Representative the Board Receiver Investigation Resolution when Investigations performs their investigatory activities.
G		Obtain the Board Resolution seeking approval from the Board of Directors to enter into a Subsidiary Agency Agreement with FDIC for the provision of various services from FDIC Legal Representative.
H		Obtain the Subsidiary Agency Agreement from FDIC Legal Representative. Upon approval by the Board of Directors, obtain the signature of the RIC or Assistant Director (or higher).

 Failed Financial Institution Closing Manual

Task:	Completed:	Description:
I		Obtain a signed and executed copy the Power of Attorney from FDIC Legal Representative.
J		If the subsidiary or Entity needs funds, prepare a board resolution authorizing the subsidiary to borrow from the Receiver.
K		Send the approved board resolution and case to FDIC Legal Division requesting them to prepare the loan documents. Have the loan documents signed by the authorized subsidiary officer and authorized representative of the receivership.
L		If not solely owned, identify all shareholders (or owners) of the subsidiary or Entity.
M		Identify all subsidiary pending litigation. Coordinate with the FDIC Legal Representative.
N		Interview Officers to obtain any company summary reports which may identify name, type, purpose, status, states of business, and claims/litigation. Determine if there are any outstanding or potential significant issues related to the subsidiary or Entity.
O		Review UCC & lien filings, subsidiary 'guarantees', and any pending sales contracts.
P		Obtain the subsidiary's or Entity's organization chart and analyze HR/employees to determine all HR issues, benefits, contracts, severance, and insurance policies on executives. Assess payroll processing requirements.
Q		Identify all contracts with outside vendors and parent bank. Determine the need for these contracts.
R		Consult with FDIC ORE to identify, determine, or compare ORE properties owned or held by the subsidiary or Entity. Ensure that the FDIC ORE orders a preliminary title report for each property to identify tax liability, leases, environmental issues, restrictive covenants, etc.
S		Identify portfolio, pipeline, participant, and unfunded commitment reports.
T		Consult with the PCAM RAC Contractor to identify, determine, or compare loans owned by the subsidiary or Entity. If there are any servicing agreements, develop a strategy for service transfer.

 Failed Financial Institution Closing Manual

Task:	Completed:	Description:
		If there are any unfunded commitments, develop a strategy to continue or halt funding.
U		If the subsidiary or Entity is not solely owned, notify outside shareholders, other partners or members of the bank closing.
V		If applicable, notify clients and vendors of the subsidiary or Entity of the bank closing.
W		Assess the subsidiary or Entity's system of internal controls. Verify there is not fraud, waste, or abuse.
X		Identify checking, savings, and investment accounts and determine proper course of actions. If necessary, place a hold on the account(s). Change the signature cards where necessary and ensure that the proper officers are signers. Take control of accounts as appropriate.
Y		Obtain, review and understand the financial statements of the subsidiary or Entity.
Z		Provide the Proforma (Interim Servicing Representative) with the required 4C information for the subsidiary or Entity.
AA		Provide DRR Asset Management (Policy and Oversight Unit) with the name of the subsidiary or Entity and the name of the SMAC so the Contact System could be updated.
BB		Document any open action items that need to be handled post-closing.
CC		Send Document Destruction Hold to subsidiary or Entity employees, once the template is approved by Legal.
DD		Complete the Due Diligence Checklist. Determine if a corporation is necessary and can it survive without funding from the parent. Work closely with the other closing units (i.e., Legal, Tax, Proforma, ORE, RAC, etc.) when completing the checklist.
EE		Create an investment file for the subsidiary or Entity.
FF		Ensure that PII/SI is secured and encrypted at all times.
GG		Ensure PII/SI content on SharePoint, thumb drives, laptops, and e-mails is handled in compliance with FDIC Directives and Policy.

Failed Financial Institution Closing Manual

Task:	Completed:	Description:
HH		Confirm closing team members have executed all assigned tasks and have properly disposed of PII/SI in their possession.
II		Review completed tasks and confirm PII/SI compliance in accordance with FDIC Directives and Policy.

Sign-Off: _____ **Date:** _____

Return all completed and signed task lists to the Closing Manager.

 Failed Financial Institution Closing Manual

Exit Memorandum and Checklist to the Closing Manager

Institution: _____ **FIN:** _____

Section 19: Subsidiaries
SubSection 19.3: Exit Memorandum and Checklist to the Closing Manager
Assigned To: _____

Task: Completed:
Description:

- | | |
|---|---|
| A | Ensure that all checklists and noted exhibits are submitted. |
| B | Prepare an Exit Memorandum to the Closing Manager in accordance to Exhibit 2.C: Exit Memorandum to the Closing Manager. Include the following: <ol style="list-style-type: none"> 1. Closing assignment 2. Description of tasks performed 3. Unresolved issues 4. Suggestions or problems encountered 5. General comments (if any) |

Sign-Off: _____ **Date:** _____

 Return all completed and signed task lists to the Closing Manager.

Section 19: Exhibits

List of Exhibits

Exhibit 2.C: Exit Memorandum to the Closing Manager

Failed Financial Institution Closing Manual – Section 20

Privacy Compliance Officer

Contents

This section contains the following information on the Privacy Compliance Officer:

Topic Title	
Overview	20-2
Closing Task Checklist	20-3
Subsection: 20.1 - Pre-Closing Preparation	20-4
Subsection: 20.2 - Closing Activities	20-5
Subsection: 20.3 – Exit Memorandum	20-7
Section 20: Exhibits	20-8

Overview

The Privacy Compliance Officer (PCO) is responsible for ensuring that FDIC employees and contractors maintain strong privacy awareness and safeguards when handling sensitive personally identifiable information (PII) of bank customers, bank employees and bank officers, during the closing of a financial institution. The Closing Manager, or designee, will serve as the PCO, depending on the size and nature of the closing.

The PCO will play a critical role in upholding the Corporation's reputation and individuals' privacy rights. Toward that end, for each closing, the duties of the PCO will include:

- Serve as the Privacy Expert during closing weekend;
 - Participate in the pre-closing All-Team Meeting, and provide Just-in-Time training for safe PII/SI practices to the closing team;
 - Provide on-site assistance to FMs and closing teams in understanding, mitigating, and identifying privacy risks;
 - Distribute Incident Response Plan guidance to all closing team leads and ensure that all privacy and security incidents are reported immediately to the FDIC Helpdesk;
 - Perform on-site Spot Checks, in coordination with FMs, to validate and verify closing team compliance with internal FDIC privacy policies and procedures and Federal privacy protection requirements;
 - Ensure that shipment of any PII/SI is handled according to DRR and FDIC direction;
 - Review all Closing Team Checklists ensuring appropriate sign offs for privacy protection;
 - Document lessons learned and PII handling best practices.
-

 Failed Financial Institution Closing Manual

Closing Task Checklist

Institution: _____ **FIN:** _____

Section 20: Privacy Compliance Officer
Closing Task Checklist
Assigned To: _____

Sub section:	Completed:	Description:
20.1		<u>Pre-Closing Preparation</u>
20.2		<u>Closing Activities</u>
20.3		<u>Exit Memorandum</u>

Sign-Off: _____ **Date:** _____

Pre-Closing Preparation

Institution: _____ **FIN:** _____

Section 20: Privacy Compliance Officer

Subsection 20.1: Pre-Closing Preparation

Assigned To: _____

Task:	Completed:	Description:
A		Participate in Pre-Closing Functional Managers' (FM) meetings.
B		Review the SharePoint bank site information including the Strategic Resolution Plan (SRP).
C		Participate in the pre-closing All Team Meeting. Provide briefing/just in time training on PCO, employee and contractor responsibilities for protecting Personally Identifiable Information (PII) and distribute Incident Response Guidance to all closing team leads.
		Remind closing team members that: <ul style="list-style-type: none"> • Flash drives are to be encrypted with Pointsec and appropriately labeled if storing PII; • CDs and DVDs are to be encrypted with Roxio Easy Media Creator and appropriately labeled if storing PII; • That internal emails containing PII are encrypted with Entrust; • That external emails containing PII are encrypted with FDIC Securemail; • That hard copy documents and files containing PII are appropriately labeled as sensitive and confidential.

Sign-Off: _____ **Date:** _____

Closing Activities

Institution: _____ **FIN:** _____

Section 20: Privacy Compliance Officer

Subsection 20.2: Closing Activities

Assigned To: _____

Task:	Completed:	Description:
A		Participate in the daily FM meetings to discuss Privacy issues.
B		Check that all FMs working with bank records containing PII (especially Asset, Claims, Proforma, and Investigations) have completed inventories and arranged for the secure transfer and storage of the records.
C		Check with all FMs (especially the Employee Benefits, Asset, Records and Branch managers) to ensure all boxes with sensitive information are labeled and shipped in accordance with FDIC policy.
D		<p>Conduct daily random spot checks of FDIC assigned work areas for physical and electronic protection of PII to ensure appropriate safeguards are implemented:</p> <ul style="list-style-type: none"> • Ensure PII is not disposed of in trash cans; • Check all FDIC printers, copy machines, fax machines and scanners to ensure that PII has not been left unattended; • Check FDIC issued laptops to ensure that they are not attached to a bank network; • Check that company or personally-owned laptops (other than BIS and Payroll Contractors) are not used at bank closings; • Check that employees and contractors do not attach or connect company or personally-owned accessories or peripherals (e.g., monitor, speakers, USB flash drives, personal printers, PDAs, etc.) to FDIC furnished equipment.
E		Assist FDIC employees and contractors with reporting any instance of loss, misuse, or unauthorized access to PII and with questions concerning the protection of PII.

 Failed Financial Institution Closing Manual

Task:	Completed:	Description:
F		Confirm with BIS Manager that all encrypted USB flash drives issued by BIS have been inventoried and returned by all approved users before leaving the bank closing site.
G		Confirm with the ORE Manager that all printers, computers, scanners, copy machines, fax machines and hard drives not transferred to the Assuming Institution (AI) are sanitized or shipped to a location where this can be accomplished.
H		Verify with the Closing Manager that all Closing Team privacy related tasks have been accomplished and appropriate sign offs have been obtained.
I		Check with the Receiver-In-Charge (RIC) to verify if any branches have been excluded from the AI's option to purchase or assume. If it is known that a branch will not be transferred, check with the appropriate Branch Manager to ensure that all assets (physical and electronic) containing PII at that location have been identified, documented, and safeguarded.
J		Document lessons learned and PII handling best practices and provide to the RIC for distributing to all closing FMs, if any.

Sign-Off: _____

Date: _____

 Failed Financial Institution Closing Manual

Exit Memorandum and Checklist to the Closing Manager

Institution: _____ **FIN:** _____

Section 20: Privacy Compliance Officer

Subsection 20.3: Exit Memorandum and Checklist to the Closing Manager

Assigned To: _____

Task: Completed:

Description:

- | | |
|---|---|
| A | Ensure that all checklists and noted exhibits are submitted. |
| B | Prepare an Exit Memorandum to the Closing Manager in accordance to Exhibit 2.C: Exit Memorandum to the Closing Manager. Include the following: <ol style="list-style-type: none"> 1. Closing assignment 2. Description of tasks performed 3. Unresolved issues 4. Suggestions or problems encountered 5. General comments (if any) |

Sign-Off: _____ **Date:** _____

Return all completed and signed task lists to the Closing Manager.

Section 20: Exhibits

List of Exhibits

Exhibit 2.C: Exit Memorandum to the Closing Manager

Exhibit 20.A: PII/SI Best Practices

Exhibit 20.A: PII/SI Best Practices

This exhibit contains the PII/SI Best Practices that the Privacy Compliance Officer should send to every member of the closing team prior to the bank closing. It should be sent before the All Team meeting is held when a more formal briefing of PII/SI issues are discussed. The best mode of delivery would be an e-mail with the following embodied into the e-mail.

Personally Identifiable Information (PII) Sensitive Information (SI)

Best Practices

- Ensure PII/SI is not disposed of in trash cans, instead create a “shred bin container” and Investigations and/or DOA will dispose of it;
- FDIC printers, copy machines, fax machines and scanners with PII/SI should not be left unattended;
- FDIC issued laptops should not be attached to a bank network;
- Company or personally owned laptops (other than BIS and Payroll Contractors) should not be used;
- Employees and contractors should not attach or connect company or personally owned accessories or peripherals (e.g., monitor, speakers, USB flash drives, personal printers, PDAs, etc.) to FDIC furnished equipment.
- Storage Devices
 - Flash drives are to be encrypted with PointSec and appropriately labeled if storing PII/SI;
 - CDs and DVDs are to be encrypted with Roxio Easy Media Creator and appropriately labeled if storing PII/SI;
- E-mails:
 - Internal emails containing PII/SI are to be encrypted with Entrust;
 - External emails containing PII/SI are to be encrypted with FDIC Securemail;
- Records / Shipments

Failed Financial Institution Closing Manual

- Hard copy documents and files containing PII/SI should be appropriately labeled as sensitive and confidential;
 - Complete inventories and arrange for the secure transfer and storage of the Bank records containing PII/SI;
 - Ensure that all boxes with PII/SI are labeled and shipped in accordance with FDIC policy;
 - Armored Carrier services will be required for the transportation of original promissory notes, customer loan files and negotiable collateral;
 - Shipments of documents/boxes should be shipped via UPS, whenever feasible.
 - DOA will recommend which carrier is best suited to transport the secured boxes if UPS not available;
 - DOA will provide boxes with 4 MIL plastic sleeve inserts and locking nylon ties to help contain the files.
 - The boxes should be taped with a stronger webbed tape to ensure their stability;
 - Carefully seal the item in an addressed envelope or sturdy container (including the sender's return address and telephone number). Mark the envelope or container as "sensitive" or "confidential";
 - Place the first envelope or container inside the carrier-provided envelope or container which itself has been addressed, including the sender's return address and telephone number;
 - Require an authorized signature upon delivery;
 - Require a tracking number be assigned to the shipment and follow up in a timely manner to ensure that the shipment has been properly received;
 - Maintain an inventory listing of the specific items containing sensitive information included in the shipment to assist in follow-up activities in case the shipment is lost or stolen;
 - Encrypt sensitive information being shipped if it is on electronic media;
 - Avoid Saturday and Sunday delivery where possible; and,
 - Coordinate the shipping of equipment and documents/boxes with the Facilities Manager or a DOA representative.
- ORE should ensure that all printers, computers, scanners, copy machines, fax machines and hard drives not transferred to the Assuming Institution (AI) are sanitized or shipped to a location where this can be accomplished;

Failed Financial Institution Closing Manual

There are probably other best practices you can think of but if we all keep the above in mind, we will meet our goals of safeguarding PII/SI.

Failed Financial Institution Closing Manual - Section 21

Contracts and Leases Manager

Contents

This section contains the following information on Contracts and Leases Manager:

	Topic Title	
<u>Overview</u>		21-2
<u>Closing Task Checklist</u>		21-4
<u>Subsection: 21.1 - Pre-Closing Preparation</u>		21-5
<u>Subsection: 21.2 - Closing Activities</u>		21-8
<u>Subsection: 21.3 - Post Closing Activities</u>		21-11
<u>Subsection: 21.4 - Exit Memorandum and Checklist to Closing Manager</u>		21-12
<u>Section 21: Exhibits</u>		21-13

Overview

The Contracts and Leases Manager is responsible to perform all activities related to:

- The repudiation or termination of contracts and leases, including but not limited to:
 - Vendor contracts
 - Office Leases
 - Equipment Leases
 - Employment Contracts
 - Supplemental Executive Retirement Plan (SERP)
 - Bank Owned Life Insurance (BOLI)¹
 - Loan Sale Agreements
 - Mortgage Servicing Agreements
 - Engagement Letters
 - Real Property Leases and Sub-Leases
 - Accounts Payable/Receivable
 - Insurance products
 - Loan and/or Deposit Servicing
 - Computer systems including mainframe leases, processing systems maintenance, programming, data storage
 - Off-site storage
- The disposition of Standby Letters of Credit (LOC)
- The return of deposits and refunds on certain prepaid items
- The collection of the Asset Type 45 Other Assets of the failed institution

The responsibilities do not include any credit related repudiations. These types of repudiations will be completed by the PCAM on-site or the Asset Management Point of Contact (POC).

The responsibilities also do not cover any contracts and leases that are assumed by the Assuming Institution (AI).

The ORE/OAA Department will be responsible for the disposition of the following types of contracts:

- Purchase and Sale Contracts
- Property Management Contracts
- Broker Listing Contracts

¹ The actual "bank-owned life insurance policy" is not repudiated but is surrendered for the surrender value. The repudiation case repudiates the related contract that entitled the employee (or his/her beneficiary) to some interest or benefit in the proceeds of the policy in the event of death.

Failed Financial Institution Closing Manual

- Owned Property Lease Contracts
- Owned Property Construction Contracts

In the pre-close phase, the Contracts and Leases Manager gathers information from different sources in an effort to prepare a list of the failed institution's contracts and leases. The goal during the pre-close phase is to create a comprehensive spreadsheet of all the contracts and leases of the bank. The Franchise Marketing Specialist will gather hard copies of all of the contracts and leases that are on the list, and will also search for other contracts and leases that may not be listed on the spreadsheet. These documents will be loaded into SharePoint.

During closing weekend, the Contracts and Leases Manager will compile an inventory of contracts and leases of the failed institution to be repudiated or terminated. The Contracts and Leases Manager will deliver to the Assuming Institution, via the Settlement Agent, an electronic spreadsheet that details all items that the Assuming Institution will be requested to make a decision to either assume or reject.

 Failed Financial Institution Closing Manual

Closing Task Checklist

Institution: _____ **FIN:** _____

Section 21: Contracts and Leases Manager

Closing Task Checklist

Assigned To: _____

Sub section:	Completed:	Description:
21.1		<input type="checkbox"/> Pre-Closing Preparation
21.2		<input type="checkbox"/> Closing Activities
21.3		<input type="checkbox"/> Post Closing Activities
21.4		<input type="checkbox"/> Exit Memorandum and Checklist to the Closing Manager

Sign-Off: _____ **Date:** _____

Return all completed and signed task lists to the Closing Manager.

Pre-Closing Preparation

Institution: _____ **FIN:** _____

Section 21: Contracts and Leases Manager

Subsection 21.1: Pre-Closing Preparation

Assigned To: _____

Task:	Completed:	Description:
A		Through the Closing Manager or designee, request access to SharePoint for the Contracts and Leases Team.
B		Set an alert to inform you of when new documents are posted in SharePoint by clicking on Actions, Alert Me and establish frequency you wish to receive information on newly created or amended documents.
C		Review SharePoint data for contracts and leases that have been posted by the Franchise Marketing Specialist and identify contracts, leases, employment agreements, insurance policies, vendor agreements, etc. Likely SharePoint folders include, but are not limited to: <ul style="list-style-type: none"> • Assets - Bank Facilities • Assets - Other Non-Loan • Assets - Loans (Letters of Credit) • Contracts and Leases • Directors - Officers - Employees • IT Documents • Legal Documents - Issues • Schedule of Insurance
D		Within the Contract and Leases folder, create the following sub-folders: <ul style="list-style-type: none"> • Contracts not offered to the Assuming Institution <ul style="list-style-type: none"> ○ Insurance policies ○ Employment contracts ○ BOLI's ○ SERP's ○ Loan Sale Agreements (other than qualified financial contracts) • Contracts offered to the Assuming Institution: <ul style="list-style-type: none"> ○ All other contracts, agreements, and leases not noted above in "Contracts not offered" folder

 Failed Financial Institution Closing Manual

- Match folder names on the inventory media that is given to the Settlement Agent
 - Letters of Credit
 - Master Inventory Database Reports
 - Repudiation and Termination Letters
 - Asset Type 45 (Other Assets) - Recovery Request Letters
 - Post-Closing through Close - Out documents
- E Attend all pre-closing manager and staff meetings.
- F Determine and request the computer equipment/software, and the supplies required to perform the Contracts and Leases Manager closing function.
- G Maintain communication with the Franchise Marketing Specialist, the Closing Manager, other Functional Managers involved with the closing, and all Contracts and Leases Support Team members. Specifically, identify from the Organization Chart and make contact with the following Managers:
 - Settlement Agent** – Inform the Settlement Agent that the Contracts and Leases Manager will be reviewing and monitoring the contract repudiation process. Determine form of delivery of the Assuming Institution contract and lease documentation.
 - PCAM** – If there is a PCAM, advise them of the role played by the Asset Management POC in the repudiation of Asset Type 45 (Other Assets).
 - Investigations Manager** – Contact Investigations to ask them to be aware of contracts and leases as they conduct their search of files and desks.
 - Asset Manager** – Confirm with the Asset Manager the decision and timing of the cancellation/repudiation of leases, lines/letters of credit, unfunded commitments, etc.
 - Closing Attorney** – Contact the Lead Closing Attorney to discuss the process for assigning a FACTS case to Legal for review as all cases involving Delegations of Authority under B36 require Legal concurrence.
- H Develop the appropriate section of the Strategic Resolution Plan and provide to the Receiver-in-Charge, when requested. Include in your section of the Strategic Resolution Plan the following information:
 - The number of contracts and leases that have been collected thus far
 - The types of contracts and leases that have been collected
 - Details of any unique provisions of the contracts and leases

 Failed Financial Institution Closing Manual

- Statement that staff will search for additional contracts over closing weekend
- Anticipated staffing for the contracts and leases closing function

I Based on your due diligence and discussions with other Functional Managers, develop the business justification for the resources, if any, you are requesting for this institution and submit your reasoning for approval to the Contract Repudiation Unit Manager.

J Identify and notify the RIC/CM which executives within the bank you wish to interview. Key functional area executives, to discuss contracts and leases objectives and to gather information from, include, but are not limited to:

- Accounting
- Facilities
- Human Resources
- Branch Managers
- Information Technology
- Marketing
- Legal
- Operations
- Risk Management
- Capital Markets and/or Mortgage Sales and Servicing

K From your review of the information contained in SharePoint, input relevant information into the Master Inventory Database or Repudiation Tracking Worksheet. Be sure to include as much of the information as possible to save time on-site at the closing.

Sign-Off: _____ **Date:** _____

Return all completed and signed task lists to the Closing Manager.

Closing Activities

Institution: _____ **FIN:** _____

Section 21: Contracts and Leases Manager

Subsection 21.2: Closing Activities

Assigned To: _____

Task:	Completed:	Description:
A		Attend all daily Functional Managers' meetings.
B		Do not enter the failed institution until you receive an e-mail confirmation that the FDIC has been named as Receiver and then only at your appointed time. Upon entering institution, contact the Facilities Manager to determine your designated work area, if not pre-assigned.
C		Meet with identified Executives per your due diligence to determine where the contracts and leases are kept.
D		Read the P&A taking note of the timing required for Assuming Institution to make decisions on assuming or rejecting agreements.
E		Using the Master Inventory Database, begin to inventory documents.
F		Determine if any Functional Managers have obtained, inventoried, and scanned any and all identified leases, employee contracts/agreements, BOLI, SERP, engagement letters, et al. Some of the FMs you should meet with throughout the closing are: <ul style="list-style-type: none"> • Asset Manager • Branch Managers • Human Resources • Facilities • Closing Attorney • Other Real Estate (ORE) • Settlement Agent • Capital Markets and/or Mortgage Sales and Servicing

 Failed Financial Institution Closing Manual

Task: Completed:	Description:
G	<p>Request the Branch Coordinator to determine if any locations have entered into specific contracts or agreements. Examples include, but are not limited to:</p> <ul style="list-style-type: none"> • Lawn Care • Snow Removal • Leased Equipment
H	<p>Ensure all contracts and leases are inventoried and make a preliminary determination as to whether the contract or lease will need to be repudiated or cancelled in the event the obligations are not assumed by Assuming Institution.</p>
I	<p>Obtain a copy of General Ledger Prepaid accounts from the Pro Forma Manager</p> <ul style="list-style-type: none"> • Identify and follow-up on prepaid amounts which may be recoverable • Identify any contracts/obligations not previously captured
J	<p>Review Vendor and Accounts Payable lists for the preceding 12 months to ensure that the contract list is accurate.</p>
K	<p>Request a copy of the failed institution's top 50 payees by amount and review for patterns that may uncover other contracts or agreements.</p>
L	<p>Request a copy (preferably in excel) of the failed institution's check register for the previous 18 months and review for patterns that may uncover other contracts or agreements.</p>
M	<p>Request a preliminary prepaid jacket from Pro Forma.</p>
N	<p>Review insurance binders to inventory and analyze insurance policies and meet with Investigations to ensure that there will be no interruption in the following insurances:</p> <ul style="list-style-type: none"> • Directors and Officers (D&O) • Errors and Omissions (E&O) • Financial (Fidelity) Institution Bond • General Commercial Policies • Collateral Protection Policies (forced places and Vendor Single Interest)

NOTE - No repudiation or cancellation is to be taken on D&O or E&O policies without prior concurrence from the Investigations Functional Manager.

 Failed Financial Institution Closing Manual

- O Obtain employee names and addresses for any employees, directors, and retirees covered by:
- BOLI
 - Long-term health policies
 - SERP agreements
- P Meet with key bank personnel and department heads to identify and locate any additional agreements not identified.
- Q Discuss with the Settlement Agent (during both closing and post closing) to:
- Review and approve the inventory of contracts and leases.
 - Request Assuming Institution to consider which contracts and leases they wish to assume and which they wish to reject.
 - Accept the completed Settlement Contracts and Leases spreadsheet, on secure media, prior to leaving onsite.
- R Prepare and ship all files to the assigned office per the instructions contained in Directive 7000.8 Shipping and Transmitting Sensitive Information.
- S Ensure that PII/SI is secured and encrypted at all time.
- T Ensure PII/SI content on SharePoint, thumb drives, laptops, and e-mails is handled in compliance with FDIC Directives and Policy.
- U Confirm closing team members have executed all assigned tasks and have properly disposed of PII/SI in their possession.
- V Review completed tasks and confirm PII/SI compliance in accordance with FDIC Directives and Policy.

Sign-Off: _____ **Date:** _____

Return all completed and signed task lists to the Closing Manager.

 Failed Financial Institution Closing Manual

Post Closing Activities

Institution: _____ **FIN:** _____

Section 21: Contracts and Leases Manager

Subsection 21.3: Post Closing Activities

Assigned To: _____

Task: Completed:

Description:

- A Within 10 business days of returning from the bank resolution or completion of Master Inventory Database, ensure all required documents have been placed in SharePoint folder:
- Completed Contracts and Leases Master Inventory Database
 - Exit Memo
- B Draft a short-term close-out plan to be reviewed and approved by the Contract Repudiation Unit Manager. The plan should cover the period from closing date to first Assuming Institution deliverable date for decision, typically 30 days from closing. Plan should include, but is not limited to:
- A discussion of Letters of Credit, Prepaids, and Asset Type 45 (Other Assets)
 - A discussion of the type of activities to be performed, e.g. Notification Letters, cancellation of contracts, Case preparation under delegated authority, etc
 - The duration of activity (covers period from post closing to receipt of final notice from AI, typically 90 days from closing date)
 - A discussion of any known delays or potential obstacles

***NOTE** – This and other post closing activities extend well beyond the closing week and, as such, fall outside the scope of this checklist. Please refer the to Asset Management Guidance for required post-closing activities.*

Sign-Off: _____ **Date:** _____

Return all completed and signed task lists to the Closing Manager.

Exit Memorandum and Checklist to the Closing Manager

Institution: _____ **FIN:** _____

Section 21: Contracts and Leases Manager

Subsection 21.4: Exit Memorandum and Checklist to the Closing Manager

Assigned To: _____

Task: Completed:

Description:

- | | |
|---|--|
| A | Ensure that all checklists and noted Exhibits are submitted. |
| B | Prepare an Exit Memorandum to the Closing Manager in accordance to Exhibit 2.C: Exit Memorandum to the Closing Manager. Include the following: <ol style="list-style-type: none"> 1. Closing assignment 2. Description of tasks performed 3. Unresolved issues 4. Suggestions or problems encountered 5. Contracts and leases deliverables completed 6. Timeline for completion of any outstanding items 7. General comments (if any) |

Sign-Off: _____ **Date:** _____

Return all completed and signed task lists to the Closing Manager.

Section 21: Exhibits

List of Exhibits

Exhibit 2.C: Exit Memorandum to the Closing Manager

Failed Financial Institution Closing Manual - Section 22

ORE/OOA Manager

Contents

This section contains the following information on ORE Manager:

	Topic Title	
Overview		22-2
Closing Task Checklist		22-3
Subsection: 22.1 - Pre-Closing Preparation		22-4
Subsection: 22.2 - Closing Activities		22-5
Subsection: 22.3 - Post Closing Activities		22-7
Section 22: Exhibits		22-8

Overview

The Owned Real Estate / Other Asset Functional Manager (ORE FM) is responsible for the inventory and control of most of the tangible assets of the failed institution retained by the Receiver. The only assets which are excluded from this process are Cash (Proforma), Loans and Intangible Other Assets (Asset Manager) and Securities (Capital Markets). The ORE FM will supervise the inventory and control of all Owned Real Estate (ORE) [Bank Owned Premises) as well as Other Real Estate Owned (OREO)] that are retained by the Receiver under each applicable Purchase and Assumption Agreement. The ORE FM will also supervise the inventory and control of all tangible Other Assets including but not limited to Furniture, Fixtures and Equipment (FF&E), Leasehold Improvements, Computer Hardware, Computer Software, Safe Deposit Boxes, Artwork, Repossessed Assets, Bank Owned Vehicles, Specialty Assets and any other tangible assets owned by the failed financial institution and retained by the Receiver. Examples of intangible assets not covered by the ORE/OA Team would include Goodwill, Prepaid Expenses, Accounts Receivable, Lease Receivables and any Other Assets that lack physical substance but provide long-term benefits to the Receiver.

The ORE FM is also responsible for the reconciliation of all ORE, OREO and Other Assets listed above, regardless of whether they are retained by the Receiver under the terms of the P&A Agreement. These reconciliations are performed for Proforma and almost always involve the use of special spreadsheets for each bank, because Owned Real Estate and Other Asset ledgers and sub ledgers are usually never maintained on bank systems that contain download capabilities. Special reconciliations are necessary due to the variety of options that are granted under the P&A Agreement for Bank Owned Premises, FF&E, Data Management Equipment, Safe Deposit Boxes, Leased Equipment, Offsite Storage Facilities and Specialty Assets.

The ORE Functional Manager must coordinate these activities and maintain close communication with the Closing Manager, Settlements, Proforma, BIS, Facilities, Legal, and the Records Management areas.

In all types of transactions, the ORE FM will work with the Financial Manager assigned to the failed institution to obtain the necessary information facilitating the transfer and/or conversion of assets.

 Failed Financial Institution Closing Manual

Closing Task Checklist

Institution: _____ **FIN:** _____

Section 22: ORE Functional Manager
Closing Task Checklist
Assigned To: _____

Sub section:	Completed:	Description:
22.1		<u>Pre-Closing Preparation</u>
22.2		<u>Closing Activities</u>
22.3		<u>Post Closing Activities</u>

Sign-Off: _____ **Date:** _____

 Return all completed and signed task lists to the Closing Manager.

Failed Financial Institution Closing Manual

Pre-Closing Preparation

Institution: _____ **FIN:** _____

Section 22: ORE Functional Manager

Subsection 22.1: Pre-Closing Preparation

Assigned To: _____

Task:	Completed:	Description:
A		Through the Closing Manager or designee, request access to SharePoint for the ORE Team.
B		Review from SharePoint data the number of locations and number of ORE Assets. Review locations to determine if owned or leased.
C		Determine if any pre-closing appraisals have been performed on bank premises and/or Other Assets.
D		Determine the staffing required for the closing function.
E		Attend all pre-closing manager and staff meetings.
F		Determine the computer equipment/software, and the supplies required to perform the ORE/OA Functional Manager responsibilities during the closing function.
G		Develop the appropriate section of the Strategic Resolution Plan and provide to the Receiver-in-Charge.
H		If applicable, establish schedule for physical inventories.

Sign-Off: _____ **Date:** _____

Return all completed and signed task lists to the Closing Manager.

Closing Activities

Institution: _____ **FIN:** _____

Section 22: ORE Manager

Subsection 22.2: Closing Activities

Assigned To: _____

Task:	Completed:	Description:
A		Obtain and review a copy of the General Ledger to ensure all assets are inventoried and accounted for.
B		Obtain and review all sub ledgers for Fixed Assets, FF&E, ORE and Other Assets.
C		Reconcile all FF&E and Fixed Assets by location and balance back to the General Ledger.
D		If applicable, determine if there are any "Specialty Assets" and segregate them from their respective General Ledger accounts.
E		Attend all daily Functional Managers' meetings.
F		If applicable, determine if the Assuming Institution has exercised any options to acquire bank premises prior to or on the closing date.
G		If applicable, coordinate the physical inventory of all personal property with representatives of the Assuming Institution.
H		If applicable, obtain copies of all deeds on OREO and bank premises as well as copies of all lease agreements pertaining to OREO and bank premises involving the failed bank as either lessor or lessee.
I		Coordinate with the Legal Division representative at the closing for interpretations on the P&A transaction and requirements for legal documentation concerning title issues on any ORE assets or Other assets.
J		If applicable, coordinate with Settlements to establish an agreement on the number of bank locations and the eligibility of each location for any options granted under the P&A transaction. Attend Settlement meeting with AI personnel to discuss various notices, including the notices to be furnished under the options granted and any notices to vacate a bank location.
K		Deliver an original signed copy of the Custodial Agreement to the Closing Manager for the official Closing Book and put an electronic copy of the signed agreement on the ORE Team SharePoint site.

 Failed Financial Institution Closing Manual

Task: Completed:	Description:
L	As applicable, determine which assets will need to be listed on various 4C templates and complete and submit those templates to Proforma for review.
M	As applicable, examine the files and documentation on each real property Fixed Assets as well as each OREO asset, and load the relevant information into the 4C ORE Toolkit software.
N	If applicable, determine if there are any bank-owned subsidiaries that possess ORE assets. Coordinate with the Subsidiary representative at the closing to determine which subsidiary assets will be assigned to either ORE or Other Assets and obtain an Agency Agreement from each affected Subsidiary to the FDIC as Receiver.
O	Deliver final reconciliations on each sub ledger account related to real property Fixed Assets, ORE assets and Other Assets as well as any Subsidiary assets to Proforma for review and acceptance.
P	As applicable, prepare various reports from the ORE Toolkit software for inclusion in the ORE Functional Manager Closing Memorandum as well as for ORE Management.
Q	As applicable, copy all relevant management and ownership documentation on real property Fixed Assets as well as OREO assets, create six (6) part hard copy files and arrange for the shipment of those files.
R	Complete the current and relevant detailed ORE/OA checklist as maintained on the ORE Team SharePoint site.
S	Ensure that PII/SI is secured and encrypted at all time.
T	Ensure PII/SI content on SharePoint, thumb drives, laptops, and e-mails is handled in compliance with FDIC Directives and Policy.
U	Confirm ORE/FF&E closing team members have executed all assigned tasks and have properly disposed of PII/SI in their possession.
V	Review completed tasks and confirm PII/SI compliance in accordance with FDIC Directives and Policy.

Sign-Off: _____ **Date:** _____

Return all completed and signed task lists to the Closing Manager.

 Failed Financial Institution Closing Manual

Post Closing Activities

Institution: _____ **FIN:** _____

Section 22: ORE Manager
Subsection 22.3: Post Closing Activities
Assigned To: _____

Task: Completed:
Description:

- | | |
|---|---|
| A | Ensure that all checklists and related reports are submitted to the Closing Manager. |
| B | Prepare an Exit Memorandum to the Closing Manager in accordance to Exhibit 2.C: Exit Memorandum to the Closing Manager. Include the following: <ol style="list-style-type: none"> 1. Closing assignment 2. Description of tasks performed 3. Unresolved issues 4. Suggestions or problems encountered |

General comments (if any)

Sign-Off: _____ **Date:** _____

 Return all completed and signed task lists to the Closing Manager.

Section 22: Exhibits

List of Exhibits

Exhibit 2.C: Exit Memorandum to the Closing Manager

Failed Financial Institution Closing Manual

Acronyms and Glossary

This section contains a list of Acronyms and a Glossary of Terms

Acronyms

4C	Communication, Capability, Challenge, and Control
ABA	American Bankers Association
ACH	Automated Clearing House
ACS	Automated Conversion System
ADR	Alternate Dispute Resolution
ADS	Asset Data Sheet
AGI	Adjusted Gross Income
AIC	Attorney In Charge (also known as Lead Closing Attorney)
ALLL	Allowance for Loan & Lease Losses
APR	Annual Percentage Rate
ARM	Adjustable Rate Mortgage
ATM	Automated Teller Machine
AV	Appraised Value
B	Billions
BA	Banker's Acceptance
BHCA	Bank Holding Company Act

 Failed Financial Institution Closing Manual

BIA	Bureau of Indian Affairs
BIS	Division of Resolutions and Receiverships, Business Information Systems
BV	Book Value
C&D	Cease and Desist Order
CA	Confidentiality Agreement
CAIC	Claims Agent-in-Charge
CC	Cashier's Check
CCM	Capital Call Meeting
CD	Certificate of Deposit
CEBA	Competitive Equality Banking Act
CEO	Chief Executive Officer
CF	Cash Flow
CFW	Cash Flow Worksheet
CIF	Customer Information File
CKL	Environmental Checklist
CMO	Collateralized Mortgage Obligation
COBRA	Consolidated Omnibus Budget Reconciliation Act of 1987
CPA	Certified Public Accountant
D&O	Directors and Officers
DBA	Doing business as (also known as an "assumed name")
DC/LPW	Documentation Checklist/Loan Pricing
DDA	Demand Deposit Account
DDD	Due Diligence Designee
DIF	Deposit Insurance Fund

 Failed Financial Institution Closing Manual

DINB	Deposit Insurance National Bank
EDP	Electronic Data Processing
ERISA	Employee Retirement Income Security Act
ERV	Estimated Recovery Values
ESA	Environmental Site Assessment
ESOP	Employee Stock Ownership Plan or Program
FASB	Financial Accounting Standards Board
FDICIA	Federal Deposit Insurance Corporation Improvement Act of 1991
FDW	Financial Data Warehouse
FED	Federal Reserve System
FF&E	Furniture, Fixtures, and Equipment
FFIEC	Federal Financial Institutions Examination Council
FHA	Federal Housing Administration
FHLB	Federal Home Loan Bank(s)
FHLMC	Federal Home Loan Mortgage Corporation
FIN	Financial Institution Number
FIRREA	Financial Institutions Reform, Recovery, & Enforcement Act of 1989
FM	Franchise Marketing
FmHA	Farmers Home Administration
FNMA	Federal National Mortgage Association (also known as “Fannie Mae”)
FOIA	Freedom of Information Act
FRB	Federal Reserve Bank(s)
FRF	The Federal Savings and Loan Insurance Corporation Resolution Fund
FSA	Flexible Spending Account

 Failed Financial Institution Closing Manual

FSB	Federal Savings Bank
FSLIC	Federal Savings and Loan Insurance Corporation
GAAP	Generally Accepted Accounting Principles
GAO	General Accounting Office
GI	Gross Income
GL	General Ledger
GNMA	Government National Mortgage Association (also known as “Ginnie Mae”)
GSA	General Services Administration
HC	Holding Company
HELOC	Home Equity Line of Credit
HLTV	High Loan-to-Value
HOA	Home Owners Association
HUD	Department of Housing and Urban Development
IDT	Insured Deposit Transfer
ILC	Industrial Loan Company
IP	Information Package (also known as “Executive Summary”)
IRA	Individual Retirement Account
IRR	Internal Rate of Return
IRS	Internal Revenue Service
JDC	Judgments, Deficiencies, and Charge-offs
LCT	Least Cost Test
LIP	Loans in Process
LMIS	Legal Management Information System
LOC	Letter of Credit

 Failed Financial Institution Closing Manual

LPC	Loan Pooling Committee
LPM	Loan Pricing Model
LPO	Loan Production Office
LSBO	Loans Serviced by Others
LSFO	Loans Serviced for Others
M	Thousands
MAPP	Multiple Acquirer Preparation Plan
MBS	Mortgage Backed Securities
MM	Millions
MMDA	Money Market Deposit Account
MMF	Money Market Fund
NOW	Negotiable Order of Withdrawal
NPV	Net present value
NSF	Non-Sufficient Funds Check
OA	Other Assets
OCC	Office of the Comptroller of the Currency
ODEO	Office of Diversity and Economic Opportunity
OES	Office of the Executive Secretary
OFAC	Office of Foreign Assets Control
OIG	Office of the Inspector General
OLA	Office of Legislative Affairs
OM	Oversight Manager
OO	Office of the Ombudsman
OPA	Office of Public Affairs

 Failed Financial Institution Closing Manual

ORE	Owned Real Estate
OTC	Over the Counter
OTS	Office of Thrift Supervision
P&A	Purchase and Assumption Agreement
PCA	Prompt Corrective Action
PEC	Purchaser Eligibility Certification
PII	Personally Identifiable Information
PITI	Principal, Interest, Taxes, and Insurance
PLU	Professional Liability Unit
PM	Property Manager
POA	Power of Attorney
POC	Proof of Claim
POS	Point of Sale
PPIP	Public-Private Investment Program
PV	1. Present value 2. Payment Authorization Voucher (also known as “PAV”)
QFC	Qualified Financial Contracts
RAVEN	Risk Analysis & Valuation Estimation
RBP	Receivership Business Plan
RC	Receiver’s Certificate
REMATS	Records Management and Tracking System
REMIC	Real Estate Mortgage Investment Conduit
REO	Real Estate Owned (also known as “Other Real Estate Owned”)
REPO	Repurchase Agreement

 Failed Financial Institution Closing Manual

RFP	Request for Proposal
RIC	Receiver-in-Charge
RICO	Racketeer-Influenced and Corrupt Organizations Act
RLS	Receivership Liability System
ROE	1. Return on Equity 2. Report of Examination
ROI	Return on Investment
ROM	Receivership Oversight Manager
RTC	Resolution Trust Corporation
SAR	Suspicious Activity Reports
SATF	Settlement Account Transaction Form
SAVE	Standard Asset Valuation Estimate
SBA	Small Business Administration
SCRAW	Subsidiary Cash Recovery Analysis Worksheet
SDNs	Specifically Designated Nationals and Blocked Persons
SEC	Securities and Exchange Commission
SERP	Supplemental Employee Retirement Plan
SI	Sensitive Information
SMOC	Senior Management Oversight Committee
SMSA	Statistical Metropolitan Survey Area
SOP	Standard Operating Procedure
SOR	Strategic Operations Review
SPE	Special Purpose Entity
SRP	Strategic Resolution Plan

Failed Financial Institution Closing Manual

SSN	Social Security Number for individuals. (Also see <i>TIN</i>)
SWIFT	Society for Worldwide Interbank Financial Telecommunication
TARP	Troubled Asset Relief Program
T-BILL	Treasury Bill
TIN	Tax Identification Number for non-individuals. (Also see <i>SNN</i>)
TLGP	Temporary Liquidity Guarantee Program
TM	Technical Monitor
UBPR	Uniform Bank Performance Report
VA	Veterans' Administration
VEBA	Voluntary Employee Beneficiary Association

 Failed Financial Institution Closing Manual

Glossary of Terms

4C	A system designed to be a comprehensive source of information related to the resolution of financial institutions and the management, valuation, marketing, and sale of assets. “4C” stand for Communication, Capability, Challenge, and Control.
Absolute Auction	An open, outcry sale in which assets are sold to the highest bidder with no reserve price and no minimum bid.
Account Hold	An order placed on a deposit account by the FDIC to retain control of all or part of the depositor’s account until some issue regarding the depositor can be resolved. The hold could be for an uninsured deposit, a delinquent loan, litigation, etc.
Adjustable Rate Mortgage	A type of mortgage in which the interest rate is reset at regular intervals, typically at a spread over a stated short-term interest rate index. The most frequently used indexes have been the one year U. S. Treasury constant maturity yield and the Eleventh District Cost of Funds Index. Because the interest rate paid by the borrower fluctuates with the general level of interest rates in the marketplace, ARMs shift most of the interest rate risk from the lender to the borrower.
Adjusted Gross Income	An individual’s income after removing excludable items less “above the line” (non-itemized) deductions.
Affidavit	A written statement made under oath before a person legally authorized to certify the statement, such as an officer of the court or a notary public. Affidavits are used to provide proof of payment for loans for which standard documentation is lacking. They are used when other data indicate that the loan is likely paid off.
Allonge	A document that transfers ownership of the note.
Allowance for Loan and Lease Losses	Funds set aside by a financial institution to cover potential losses.
Alternate Dispute Resolution	A method of resolving potential litigation through the use of mediation.
Annual Percentage Rate	The annual rate of interest; the total interest to be paid in a year divided by the balance due.
Appraised Value	A professional estimate of market value.
Assessment Appeals Committee	A committee responsible for making final determinations regarding disputes pertaining to the assessment risk classification and payment calculation of insured institutions. The committee is comprised of five voting members, representing each member of the FDIC Board of Directors.

 Failed Financial Institution Closing Manual

Asset Pool	A portfolio of assets often composed of assets with similar characteristics.
Asset Servicing Oversight	The functional area that is responsible for the administration of various loan servicing, bank assistance, and monitoring of JDC Partnership agreements.
Assign	To transfer interest of an asset to an investor that purchased the loan.
Assistance Agreement	An agreement pertaining to a failing institution under which the FDIC provides financial assistance to the failing institution or to an Assuming Institution. The assistance agreement includes the terms of the purchase of assets and assumption of liabilities of the failing institution by the Assuming Institution; it may also include provisions regarding a reorganization of the failing institution under new management or a merger of the failing institution into a healthy insured institution.
Assuming Institution	A healthy insured bank or thrift that purchases some or all of the assets and assumes some or all of the deposits and other liabilities of a failed financial institution in a purchase and assumption transaction.
Automated Clearing House	An inter-bank payment system operated by the FED for member institutions used for clearing ATM, debit card, credit card, and other electronic payments.
Bank Run	A series of unexpected cash withdrawals caused by a sudden decline in depositor confidence or fear that the bank will be closed by the chartering agency, i.e. many depositors withdraw cash almost simultaneously.
Banker's Acceptance	A time draft drawn on and accepted by a bank, the customary means of effecting payment for merchandise sold in import/export transactions and a source of financing used extensively in international trade. With the credit strength of a bank behind it, the banker's acceptance usually qualifies as a Money Market instrument. The liability assumed by the bank is called its acceptance liability. (Also see <i>Letter of Credit</i> .)
Banking Act of 1933	Enacted by Congress to establish the FDIC as a temporary corporation to bring order to the financial system. The intent was to provide a federal government guarantee of deposits so that customer's funds, within limits, would be safe and available to them on demand.
Blanket Bond	Standard fidelity insurance coverage for financial institutions. The blanket bond covers: Loss of property (as defined in the bond) resulting directly from (a) robbery, burglary, misplacement, mysterious unexplainable disappearance and damage thereto or destruction thereof, or (b) theft, false pretenses, common law or statutory larceny, committed by a person present in an office or on the premises of the insured, while the property is lodged or deposited within offices or premises located anywhere or while in transit. Additional optional coverage can be obtained.

 Failed Financial Institution Closing Manual

Book Value

The dollar amount shown on the institution's accounting records or related financial statements. The "gross book value" of an asset is the value without consideration for adjustments such as valuation allowances. The "net book value" is the book net value of such adjustments. The FDIC restates amounts on the books of a failed financial institution to conform to the FDIC's liquidation accounting practices. Therefore, in the FDIC accounting environment, book value generally refers to the unpaid balance of loans or accounts receivable, or the recorded amount of other types of assets (for example, ORE or securities.)

Book Value Reduction

The decrease in book value of all types of assets resulting from activities such as the collection of loan principal, the sale of an asset, the forgiveness of debt, and the write-off or donation of an asset.

Branch Banking

Branch banking occurs when a single bank conducts its business at a number of different offices located in the same or different cities, states, or countries. The ability to operate branches is controlled by state law; most states permit branches within city limits and a few states permit statewide banking. Federal law ties the ability of a national bank to establish and operate branches to the scope of the branching powers granted by state law to the state banks located in the state in which the national bank is situated.

Branch Breakup

A resolution strategy that provides bidders with the choice of bidding on the entire franchise or on individual or groups of branches of the failing institution. Marketing failing institutions on both a whole franchise and a branch breakup basis can expand the universe of potential buyers and may result in better bids in the aggregate. In branch breakup transactions, prospective acquirers are required to submit bids on both the "all deposits" and "insured deposits" options except for bids on the entire franchise.

Bridge Bank

A temporary national bank established and operated by the FDIC on an interim basis to acquire the assets and assume the liabilities of a failed financial institution until final resolution can be accomplished. The use of bridge banks generally is limited to situations in which more time is needed to permit the least costly resolution of a large or complex institution.

Broker

A person who acts as an agent for or an intermediary between a buyer and seller; usually charges a commission.

Bulk Sale

A package of assets from a failed financial institution sold on the "secondary market" for a percentage of its original or book value.

Business Line

A collection of divisions and offices that work together to accomplish a strategic goal of the FDIC. The FDIC has three business lines: Insurance; Risk Management, Compliance and Consumer Protection; and Resolutions and Receiverships.

 Failed Financial Institution Closing Manual

CAMELS Rating	Bank supervisors rate banks on a 1-to-5 scale, with “1” being the best possible rating. CAMELS incorporates six separate components: <u>capital</u> , <u>asset</u> , <u>management</u> , <u>earnings</u> , <u>liquidity</u> , and <u>sensitivity</u> . These individual CAMELS ratings are combined to produce an overall “composite” rating.
Capacity	The FDIC’s regulatory authority to release or assign collateral. The FDIC has the authority to act under several different regulations and the technician must identify in which capacity the FDIC has the authority to act for a particular request. For legal purposes, this capacity is cited in the documentation provided to the requestor to affect the release or assignment.
Case	A comprehensive memorandum in a specific format requesting the authority to act on behalf of FDIC in accordance with “delegated” authority.
Cash Flow	The amount of money generated by an asset after the payment of expenses.
Cashier’s Check	A check issued by a financial institution that represents an obligation of the institution.
Cease and Desist Order	An order issued by a financial institution’s regulatory authority when a banking organization or institution-affiliated party is engaging, has engaged or is about to engage in an unsafe or unsound banking practice, or a violation of law.
Certificate of Deposit	A deposit account in a bank or savings and loan association, usually with a minimum deposit amount, and with a maturity from 30 days to several years, from which money usually cannot be withdrawn without loss of interest or other penalty and which earns interest at a rate established by law or the financial institution.
Chapter 7	Bankruptcy – Individual Liquidation – complete liquidation of a company or individual’s assets.
Chapter 11	Bankruptcy – Corporation Liquidation – a company unable to pay its debts may petition a court for permission to retain its assets while reorganizing in an effort to regain profitability; continued failure to pay debts following reorganization may result in liquidation of the company by distribution of its assets first to its creditors and then, if any assets remain, to its common stockholders.
Chapter 12	Bankruptcy – Restructure Agricultural Related – reorganization of an agricultural related business.
Chapter 13	Bankruptcy – Debtor Payer Plan – bankruptcy reorganization for an individual, similar to a Chapter 11 for a business.

 Failed Financial Institution Closing Manual

Charge-off	A book value amount that was expensed as a loss before Receivership and that continues to be a legal obligation of the borrower to the institution. A charge-off is technically an off-book memorandum accounting item that represents the book value of an asset that the bank or thrift previously wrote off.
Chartering Authority	A state or federal agency that grants charters to new depository institutions. For state banks, the chartering authority is usually the state banking department; for national banks, it is the OCC; and for federal savings institutions, it is the OTS.
Cherry pick	The tendency to keep only the best assets in a portfolio purchased from the Receiver and ignoring those eligible to return to the Receiver.
CHRIS T&A	FDIC's corporate time and attendance program used to record employee's time and attendance for payroll and leave purposes.
Claim	An assertion of the indebtedness of a failed financial institution to a depositor, general creditor, subordinated debt holder, or shareholder.
Claims Agent-in-Charge	The specialist responsible for deposit and creditor claims at the closing.
Classified Asset	An asset that is designated as Substandard, Doubtful, or Loss. An asset becomes classified when it is so designated by the appropriate regulatory agency.
Closing	Removal of a financial institution's charter by its chartering authority, due to insolvency and/or operating in an unsafe and unsound manner. The chartering authority usually appoints the FDIC as Receiver. The FDIC arranges for the transfer of the deposit liabilities to a healthy insured institution, or begins the payment of the insured deposit liabilities. If a purchase and assumption agreement is reached with an Assuming Institution, some or all of the assets of the failed financial institution may be transfer. The FDIC, as Receiver, then begins liquidating the remaining assets. Also known as a "Resolution."
Closing Attorney	The attorney from the Legal Division assigned to advise the RIC and Closing Manager on matters regarding the Receivership of the failed financial institution. The Closing Attorney may also advise other members of the closing team, including but not limited to the CAIC, and the Asset Manager. Also known as Lead Closing Attorney.
Closing Date	The date that the financial institution's operations ceased and the institution was placed in Receivership.
Closing Manager	An FDIC specialist who manages all functions of the Closing Team of a failed financial institution.
Collateral	Property offered as security or guarantee for a loan or debt, e.g., real estate, a vehicle, or other property for which a loan is made.

 Failed Financial Institution Closing Manual

Collateralized Mortgage Obligation A corporate bond backed by a pool of mortgages in which the cash flows of the pool are channeled into two or more series of bonds. Interest payments generally are made to the purchasers of such securities.

Competitive Equality Banking Act CEBA Banks are named for approximately 100 banks chartered between 1984 and 1987 that were allowed grandfathered existence with the passage of the Competitive Equality in Banking Act of 1987 (hence the term “CEBA”). During that period, the Bank Holding Company Act defined a bank as an institution that accepts demand deposits and makes commercial loans. Approximately 100 companies established subsidiaries that did only one of these two activities to avoid the BHC Act regulation. Thus, these institutions were known as “nonbank banks” and their parents were not treated as a bank holding company for purposes of the Bank Holding Company Act. Congress became aware that these nonbank banks had been acquired by companies that engaged in a wide range of nonbanking activities such as retail and securities activities that were forbidden to bank holding companies under section 4 of the Bank Holding Company Act. Congress reacted, and effective August 10, 1987, CEBA redefined the term “bank” in the BHC Act, but permitted a company that controlled a nonbank bank on March 5, 1987, and was not a bank holding company on August 9, 1987, to retain its nonbank bank and not be treated as a bank holding company for purposes of the Bank Holding Company Act if the company and its subsidiary nonbank bank observe certain limitations imposed by CEBA. These remaining nonbank banks are CEBA banks.

Competitive Market Analysis Procedure to determine value based on study and comparison of prices for similar properties.

Confidentiality Agreement An agreement between the FDIC and potential bidders that acknowledges the confidentiality of the Executive Summary pertaining to the failing institution and other documents, including the financial transaction agreements.

Conservator A person or entity, including a government agency, appointed by a regulatory authority to operate a troubled financial institution in an effort to conserve, manage, and protect the troubled institution’s assets until the institution has stabilized or has been closed by the chartering authority.

Conservatorship The legal procedure provided by statute for the interim management of financial institutions used by the FDIC. Under the pass-through Receivership method, after the failure of a savings institution, a new institution is chartered and placed under agency Conservatorship; the new institution assumes certain liabilities and purchases certain assets from the Receiver of the failed financial institutions. Under a straight Conservatorship, the FDIC may be appointed Conservator of an open, troubled institution. In each case, the Conservator assumes responsibility for operating the institution on an interim basis in accordance with the applicable laws of the federal or state authority that chartered the new institution. Under a Conservatorship, the institution’s asset base is conserved pending the resolution of the Conservatorship.

Failed Financial Institution Closing Manual

Consolidated Omnibus Budget Reconciliation Act	The 1987 law which provides for employees to purchase health insurance from their former employer's insurer at the group rate.
Contract for Deed	An agreement in which the buyer receives title to real property only after making a determined number of payments.
Conversion	The process of transferring a failed financial institution's assets to another system, either the FDIC's system or the Assuming Institution's system.
Core Deposits	That portion of a bank's deposits that is relatively stable and has a predictable cost. Deposits fluctuate seasonally and cyclically, but even in adverse circumstances, deposits normally do not fall below some minimum level.
Corporate Capacity	The FDIC in its Corporate capacity acts as insurer, managing and maintaining the deposit insurance fund. Whenever an institution fails, the FDIC in its Corporate capacity pays off insured depositors or arranges for the transfer of accounts from the failed financial institution to a healthy insured institution.
Corporate Proof of Claim	The claim filed by the FDIC in its Corporate capacity against the FDIC in its Receivership capacity for payments made by it for insured deposits and/or other approved expenses incurred.
Corporate Purchase	The name for the purchase of the remaining assets of a Receivership at termination by the FDIC in its Corporate capacity.
Credit Union	Institutions that are chartered by the National Credit Union Administration (NCUA) and are not insured by the FDIC. A Credit Union may have the words "Credit Union" in its name.
Critically Undercapitalized	One of the five capital categories of financial condition established by FDICIA and codified in Section 338 of the FDI Act. An insured depository institution is "critically undercapitalized" if its ratio of tangible capital to total assets is equal to or less than 2 percent.
Cross Guarantee	A provision of the FDI Act added by FIRREA that allows the FDIC to recover part of its cost of liquidation or assisting a troubled insured institution by assessing those costs to the remaining solvent insured institutions which are commonly controlled as defined in the statute. When the FDIC acts to protect its interests under this provision, the assessment can result in a liquidity strain or, in some cases, the immediate insolvency of an affiliated bank.
Deed of Trust	An instrument for the transfer of ownership of property from the owner to a trustee, with the trustee holding the title as security. This instrument is used in lieu of a mortgage in many states.

Failed Financial Institution Closing Manual

Deficiency	The dollar amount that is owed to a lender after foreclosure or repossession has occurred. The deficiency is normally the sum of principal debt outstanding, unpaid interest, and late charges remaining as a legal obligation, minus the new value of the foreclosed or repossessed asset.
Demand Deposit Account	An account which can be drawn on by the depositor without prior notice to the bank.
Department of Housing and Urban Development	The federal agency established to implement certain federal housing and community development programs.
Deposit Insurance Fund	The insurance fund for use by the FDIC in paying insurance related expenses for Receiverships.
Deposit Insurance National Bank	A national bank of limited life and powers that is chartered without any capitalization. A DINB allows for a failed financial institution to be liquidated in an orderly fashion, minimizing disruptions to local communities and financial services markets.
Deposit Payoff	A resolution method for failed FDIC insured institutions that is used when liquidation of the institution is determined to be the least costly resolution or when no Assuming Institution can be found. Deposit payoff's generally have two forms: (1) a straight deposit payoff, in which the FDIC directly pays the insured amount of each depositor, and (2) an insured deposit transfer, in which a healthy insured institution is paid by the FDIC to act as its agent and pay the insured deposits to customers of the failed financial institution. A deposit payoff is sometimes called a payoff or payout. (Also see <i>payoff</i> and <i>insured deposit transfer</i> .)
Depositor Discipline	One aspect of "market discipline." The concern of depositors for the safety of their deposits is theorized to control the riskiness of a bank's investment and lending portfolios. (Also see <i>market discipline</i> .)
Depository	A bank or other entity responsible for holding assets in safekeeping.
Derivative	Any security which derives its value from the price fluctuations of an underlying, separately traded financial asset. Derivatives commonly used by community banks include futures, forwards, options, and swaps.
Directive	A circular or bulletin used to communicate policy to FDIC employees.
Directors' and Officers' Fidelity Coverage	The policies that provide for the indemnification of directors, officers, and other employees against legal and other expenses incurred in defending lawsuits brought against them by reason of the performance of their official duties. This insurance does not cover criminal or dishonest acts, or situations when the involved person obtained personal gain, or when a conflict of interest was apparent.

 Failed Financial Institution Closing Manual

Discounted Payoff	The payoff of a nonperforming loan at a price that is below the book value of the asset: for example, a 15 percent discount would equate to a price that is 85 percent of book value.
Distressed asset	Assets such as owned real estate, nonperforming loans, or other troubled assets. The market value of a distressed asset is almost always less than it was projected to be when the investment was originally made and is often below the asset's current book value.
Dividend	A payment to proven creditors after the FDIC has determined the net funds available for distribution.
Division of Administration, Corporate Servicing Branch	The office responsible for coordinating all facilities functions for the continuous operational needs of the Closing Team and the existing institution employees. This office is also responsible for the safety and security of all personnel involved in the closing process as well as the physical security of each location of the failed financial institution.
Division of Finance	The division within the FDIC responsible for the financial aspects of the corporation both in its Corporate capacity and Receivership capacity.
Division of Information Technology (formerly DIRM)	The division within FDIC that provides innovative, timely, reliable, and secure information technology services. DIT works closely with DRR BIS (Business Information Systems).
Division of Research	The division within FDIC responsible for providing comprehensive statistical information on banking.
Division of Resolutions and Receiverships	The division within the FDIC responsible for the resolution of failed financial institutions, including the payment of deposit insurance and the liquidation of the institutions' assets.
Division of Supervision and Consumer Protection	The division within FDIC responsible for examining banks and thrifts within its authority, promoting compliance with fair lending and other consumer protection laws and regulations, and increasing public understanding of and confidence in the deposit insurance system.
Document Release Request Form	The standard form used by Collateral Release staff to track the processing of internal requests.

 Failed Financial Institution Closing Manual

Due Diligence	A potential purchaser's onsite inspection of the books and records of a failing institution. Before an institution's failure, the FDIC invites potential purchasers to the institution to review pertinent files so they can make informed decisions about the value of the failing institution's assets. All potential purchasers must sign a confidentiality agreement. In addition, contractors may be hired to perform due diligence work on assets that are earmarked for multi-asset sales initiatives. By hiring outside firms to provide and certify the due diligence, investors have the assurance that an independent source provides them with reliable investment information.
Electronic Data Processing	The collection, storage, and processing of information in a computer and retrieval of that information from any connecting terminal.
Employee Retirement Income Security Act	An act of Congress passed in 1974, establishing the Pension Benefit Guaranty Corporation to insure the assets of pension plans, requiring disclosure of the provisions of employee pension and welfare plans, establishing standards of conduct for the trustees and administrators of such plans, and establishing requirements for funding of a participation and vesting in pension plans.
Employee Stock Ownership Plan or Program	A program to encourage and aid employees to become shareholders in the corporation that employs them, thus contributing capital to the corporation, sharing in its profits, and acquiring an incentive to help it reach its goals.
Environmental Protection Agency	The federal agency created in 1970 to protect human health and the environment by enforcing and sponsoring laws regulating toxic substances, solid waste, water, and air pollution.
Executive Summary	A collection of detailed information about the amounts and types of assets and liabilities of a failed or failing institution. The information varies depending on the composition of assets and liabilities of the troubled institution. An Executive Summary, which is subject to a confidentiality agreement, is provided to potential purchasers to facilitate their analyses of the failing institution. Also known as "Information Package." (Also see <i>confidentiality agreement</i> .)
Failure	The closing of a financial institution by its chartering authority, which rescinds the institution's charter and revokes its ability to conduct business because the institution is insolvent, critically undercapitalized, or unable to meet deposit outflows.
Farmers Home Administration	The formal federal agency under the Department of Agriculture that made and guaranteed loans in low-income areas of the United States for farms, homes, and community facilities.
FDI Act of 1950	The Act that, among other things, (1) increased the FDIC deposit insurance limit from \$5,000 to \$10,000, and (2) granted the FDIC the authority to provide open bank assistance through loans or the purchase of assets to prevent the failure of an insured bank.

 Failed Financial Institution Closing Manual

Federal Deposit Insurance Corporation Improvement Act of 1991

A comprehensive package of legislation, enacted in 1991, that included (1) a “least cost” test imposed in the resolution process that required the FDIC to evaluate all resolution alternatives, including liquidation and to choose the resolution method least costly to the deposit insurance fund; (2) section 131 which imposed new capital requirements, effective December 19, 1992, whereby institutions were to be closed before they became insolvent, (banks with tangible capital of less than 2 percent of assets were considered “critically undercapitalized” and subject to immediate closure); and (3) an extension of the time period for the RTC to accept Conservatorship and Receivership appointments from August 31, 1992, to October 1, 1993, a date after which the FDIC would assume responsibility for failed thrifts.

Federal Financial Institution Examination Council

Consists of the Office of the Comptroller of the Currency, the Federal Deposit Insurance Corporation, the Board of Governors of the Federal Reserve System, the Federal Home Loan Bank Board, and the National Credit Union Administration and makes recommendations to promote uniformity in the supervision of supervised financial institutions.

Federal Home Loan Bank(s)

One of the 12 regional central banks that supply credit reserves for savings and loans, cooperative banks, and other mortgage lenders in a manner similar to the Federal Reserve’s role with commercial banks.

Federal Home Loan Mortgage Corporation

A federally sponsored private corporation that purchases mortgages from banks, repackages them as securities, and sells them to private investors. Its primary purpose is to provide funds for residential mortgages. Also known as “Freddie Mac.”

Federal Housing Administration

A federal agency, part of HUD, established to insure mortgages on private and multifamily houses, housing for the elderly, nursing homes, and housing in urban renewal areas, and insures loans for property improvement.

Federal National Mortgage Association

A federally sponsored private corporation that purchases mortgages from banks for resale to investors, the purpose being to maintain a steady supply of funds for home mortgages. Also known as “Fannie Mae.”

Federal Reserve Bank(s)

One of the 12 regional banks in the Federal Reserve System. The 12 FRB’s and their 25 branches, which are managed by the Board of Governors of the Federal Reserve System, perform a variety of functions, including operating a nationwide payment system, distributing the nation’s currency, supervising and regulating member banks and bank holding companies, and serving as banker for the U. S. Treasury. The FRBs supervise and examine state-chartered banks that are members of the Federal Reserve System (state member banks).

Federal Reserve System

A federal banking system created by the Federal Reserve Act of 1913 to set monetary policy and control the amount of cash and credit available by establishing reserve requirements, buying and selling government bonds, and setting the interest rates charged to its member banks in its 12 geographical districts when they borrow money from it.

Failed Financial Institution Closing Manual

**Federal Savings
and Loan
Insurance
Corporation**

The former federal agency that insured depositors in federal savings and loans. FSLIC which was dissolved with the passage of FIRREA in 1989.

**Federal Savings
and Loan
Insurance
Corporation
Resolution Fund**

The fund established by FIRREA to be used in paying insurance related expenses for FSLIC Receiverships.

**FIA Insurance
Coverage**

The “COBRA-like” health insurance continuation program coverage offered to former employees of failed financial institutions upon termination of the employer sponsored plan, as required by FDICIA.

**Financial
Accounting
Standards Board**

An independent organization established by the certified public accounting profession to create and confirm accounting principles and financial reporting practices for adoption by the profession.

Financial Advisers

Contractors in the private sector who are hired to help select assets for portfolio sales, manage the due diligence process, provide sellers with an opinion about the market value of the assets, find buyers, and negotiate the final terms and conditions of sales contracts. The expertise provided by financial advisors was especially useful to the FDIC and the RTC in organizing and executing their mortgage backed securities.

**Financial Data
Warehouse**

The DRR Accounting system that facilitates reports from data in the general ledger system, Receivership reporting system, business planning, and other financial systems.

**Financial
Institution
Number**

A unique number assigned to a Receivership. Also known as “Fund Indicator Number.”

**Financial
Institutions
Reform,
Recovery, &
Enforcement Act**

Legislation enacted into law on August 9, 1989, to resolve the crisis affecting the U.S. savings and loan associations. It revamped the regulatory, insurance, and financing structures. FIRREA broadened the powers of FDIC, dissolved FSLIC and the FHLBB and created the Office of Thrift Supervision and the Resolution Trust Corporation.

**Flexible Spending
Account**

An account established by an employer for employees to allow tax savings for health and dependent care.

**Freedom of
Information Act**

A federal statute which generally provides that any person has a right, enforceable in court, of access to federal agency records, except to the extent the records are protected from disclosure by any of the nine exemptions contained in the law or by one of three special law enforcement record exclusions.

 Failed Financial Institution Closing Manual

General Accounting Office	An investigative arm of Congress charged with examining all matters related to the receipt and disbursement of public funds. Established in 1921 to independently audit federal government agencies, the GAO functions under the direction of the comptroller general of the United States, who is appointed by the president and confirmed by the Senate for a 15-year term.
General Creditors	Entities, including uninsured depositors, suppliers, tradespeople, and contractors, with unsecured claims against a failed financial institution.
General Ledger	A formal ledger containing all the financial statement accounts of a business with offsetting debit and credit accounts. Certain accounts in the general ledger, termed control accounts, summarize the details booked on separate subsidiary ledgers.
General Partner	A type of partner within a general or limited partnership. In a general partnership, there are two or more general partners, all the partners are general, and they are all co-owners liable for company debts to the full extent of their personal assets. In a limited partnership, there are one or more general partners and the business is managed by the general partner(s).
General Services Administration	A federal agency that sets federal policy in areas such as federal procurement, real property management, and information resources management.
Generally Accepted Accounting Principles	The standards, conventions, and rules established by the Financial Accounting Standards Board, the Accounting Principles Board, and the American Institute of Certified Public Accountants to be followed in the preparation of financial statements.
Government National Mortgage Association	A wholly owned government corporation within HUD, established in 1968 as a spin-off from Fannie Mae. The main functions are (1) the purchase and sale of certain FHA and VA mortgages pursuant to various programs designed to support the housing market, and (2) the guarantee of mortgage backed securities secured by pools of FHA and VA mortgages. Also known as "Ginnie Mae."
Gross Income	The income of an asset before expenses, interest, and taxes are deducted.
Home Equity Line of Credit	A credit line offered by financial institutions allowing a homeowner to tap into the built-up equity in his or her home.
Hypothecation Agreement	A pledge of something as security without turning over possession of it. Hypothecation creates a right in the creditor to have the pledged asset sold to satisfy the claim out of the sale proceeds.
Indemnification	In general, a collateral contract or assurance under which one person agrees to secure another person against either anticipated financial losses or potential adverse legal consequences.

 Failed Financial Institution Closing Manual

Individual Retirement Account	A plan that allows individuals to set aside savings that are tax free until retirement.
Inherent Risk	The potential for fraud, waste, abuse, or mismanagement in an organizational unit without regard to the controls contemplated or already in place, as defined in the FDIC Internal Control Review program.
Instrument	A legal document that records an act or agreement.
Insured Deposit	Deposit in an FDIC-insured commercial bank, savings bank, or savings association that is fully protected by FDIC deposit insurance. Savings, checking and other deposit accounts, when combined, are generally insured up to \$250,000 per depositor in each financial institution insured by the FDIC. Deposits held in different ownership categories, such as single or joint accounts, are separately insured. Also, separate \$250,000 coverage is usually provided for retirement accounts, such as individual retirement accounts.
Insured Deposit Transfer	A type of deposit payoff in which the insured and secured deposits of a failed bank or thrift are transferred to a transferee or agent institution in the community, permitting a direct payoff of the failed financial institution's depositors by the agent institution. (Also see <i>deposit payoff</i> .)
Interest	The cost of using another's money; usually expressed as a rate per period of time.
Internal Rate of Return	The true annual rate of earnings in an investment.
Internal Revenue Service	An agency of the federal government that is responsible for the administration and collection of federal income taxes.
KEOGH	A type of retirement account for self-employed persons, providing income-tax deductions and tax-deferred income.
Least Cost Test	A procedure mandated by FDICIA that requires the FDIC to implement the resolution alternative that is determined to be least costly to the deposit insurance fund of all possible resolution alternatives, including liquidation of the failed financial institution. Before enactment of FDICIA, the FDIC could pursue any resolution alternative, as long as it was less costly than a deposit payoff combined with liquidation of the failed financial institution's assets.
Legal	The division within the FDIC that provides legal services to its clients, including DRR.

 Failed Financial Institution Closing Manual

Legal Management Information System	The system within the Legal Division that tracks cases and assignments.
Letter of Credit	An instrument or document issued on behalf of a buyer stating that the issuer will honor drafts or other demands for payment upon compliance with the conditions specified in the letter. Letters of credit must be issued in conformity with all applicable rules and regulations. The credit may be revocable or irrevocable. The engagement can be either an agreement to honor or a statement that the issuer is authorized to honor the credit.
Lien	A claim against property that makes the property collateral for repayment of a debt. The law may allow the holder of the lien to enforce it by taking possession of the property.
Limited Partnership	A partnership in which certain partners are designated general partners and some are designated limited partners. A limited partnership registers as a limited partnership in the state in which it is organized. The general partners manage the business. The liabilities of the limited partners are limited if certain legal requirements are met.
Liquidation Cost	The resolution cost that the FDIC will incur if it pays off only the insured depositors and liquidates the assets of the failed financial institution.
Loan	Money given by a financial institution to a borrower that legally obligates the borrower to repay the debt to the lender at a later date; usually with interest.
Loan History	A payment schedule that shows the dates payments were made by a borrower to a lender.
Loan servicer	A contractor hired by the FDIC to manage loans of failed financial institutions.
Loans in Process	Extensions of credit approved but not funded as of the date of the closing of a financial institution.
Loss Sharing	A method in a purchase and assumption transaction in which the FDIC as Receiver agrees to share with the Assuming Institution losses on certain types of loans. Loss sharing may be offered by the Receiver in connection with the sale of classified or non-performing loans that otherwise might not be sold to an Assuming Institution at the time of resolution. The FDIC usually agrees to absorb a significant portion (for example, 80 percent) of future disposition losses on assets that have been designated as "shared loss assets" for a specific period of time (for example, three to five years). The recovery sharing period can extend another three to five years, making the term of the agreement as long as eight to ten years. The economic rationale for such transactions is that retaining share loss assets in the banking sector would produce a better net recovery than would the FDIC's liquidation of the assets.

 Failed Financial Institution Closing Manual

Market Discipline	The forces in a free market (without the influence of government regulation) which tend to control and limit the riskiness of a financial institution's investment and lending activities. Such forces include the concern of depositors for the safety of their deposits and the concern of bank investors for the safety and soundness of their institution.
Mechanic's Lien	A lien against real property filed by contractors, laborers, and suppliers used in construction or repair. The lien remains in effect until the debt has been satisfied.
Modified Whole Bank P&A with Loss Sharing	The type of purchase and assumption transaction in which the Assuming Institution assumes the deposits and certain other liabilities of the failed financial institution. In addition to purchasing the cash and cash equivalent assets, the Assuming Institution also purchases better quality loans, usually subject to loss share, while certain other loans are excluded from the transaction and retained to be sold on the open market post closing.
Money Market Deposits Account	A checking account that pays interest and in which withdrawals are generally limited on a monthly basis, with a minimum balance required.
Money Market Fund	An open-ended mutual fund that invests in commercial paper, bankers' acceptances, repurchase agreements, government securities, certificates of deposit, and other highly liquid and safe securities and pays money market rates of interest.
Monoline Institution	An institution that specializes in one business line, e.g. a credit card bank.
Moral Hazard	A potentially costly side effect of most insurance. Persons or companies insured against a particular risk have a tendency to assume more risk. For example, deposit insurance tends to encourage banks to hold riskier portfolios than they otherwise would.
Mortgage	An interest in land created by a written instrument providing security for the performance of a duty or payment of a debt.
Mortgage Backed Security	An ordinary bond backed by an interest in a pool of mortgages or trust deeds.
Multiple Acquirer Preparation Plan	A plan to handle the resolution of a failed financial institution involving multiple Assuming Institutions.
National Banks	Banks that are chartered by the Office of the Comptroller of the Currency, U.S. Department of the Treasury. A national bank must have "National," "National Association," or "NA" in its name.

 Failed Financial Institution Closing Manual

National Depositor Preference Act of 1993	A federal law that established the priority for paying claims filed against a failed financial institution. This Act places the claims of depositors ahead of those of general creditors when a financial institution is placed into Receivership.
Negotiable Collateral	An item pledged as security to a debt that is or can be readily converted to cash, e.g., bonds, jewelry, cash, and collectibles. Negotiable collateral for FDIC assets is contained in the FDIC vault.
Negotiable Order of Withdrawal	An interest-paying savings account offered by banks, on which the depositor may write checks as if it were a checking account.
Net Collections	The net cash recoveries resulting from the disposition of a portfolio of assets. Generally speaking, net collections are equal to gross collections less all relevant holding, marketing, and selling costs during the collection period.
Net Present Value	The net present value is the value today of a series of future cash flows discounted at a suitable discount rate. The net present value is sometimes referred to as the “present value.”
Nominee loan	A loan made in the name of one party but is intended for use by another. The named borrower receives no funds.
Non-Sufficient Funds Check	A check drawn on an account with insufficient funds to pay the check. The drawee bank dishonors the check.
Note	A document that acknowledges an agreement to repay a debt at a specified time.
Office of Diversity and Economic Opportunity	The office within the FDIC that handles matters of diversity and economic opportunity.
Office of Foreign Assets Control	A division of the Department of the Treasury that investigates money laundering by terrorists and drug traffickers.
Office of Legislative Affairs	The office within the FDIC that responds to inquiries from members of Congress.
Office of Public Affairs	The office within the FDIC that handles communications with the media.
Office of the Comptroller of the Currency	A division of the Department of the Treasury, the OCC charters, regulates, and supervises all national banks. It also supervises the federal branches and agencies of foreign banks.

 Failed Financial Institution Closing Manual

Office of the Inspector General	An independent federal organization established to audit the programs and operations of the FDIC and to investigate complaints of fraud, waste, and mismanagement in those programs.
Office of the Ombudsman	The office within the FDIC that provides a confidential, neutral, and informal source of information and assistance to anyone affected by regulatory decisions made by the FDIC.
Office of Thrift Supervision	An agency within the Department of Treasury, the OTS is the primary regulator of all federal and many state-chartered thrift institutions, which include savings banks and savings and loan associations.
Optional Pools P&A	The type of purchase and assumption transaction in which the Assuming Institution assumes the deposit liabilities and certain other liabilities of the failed financial institution and purchases only a portion of the loan portfolio, usually just the installment loans, in addition to the cash and cash equivalent assets.
Other Assets	Bank assets other than loans, real estate, investments, and cash.
Over the Counter	A security that is not listed and traded on an organized exchange.
Owned Real Estate	An accounting classification of real estate. Marketable title has normally been acquired by (1) judicial or non-judicial foreclosure, (2) deed in lieu of foreclosure, or (3) by purchase or other acquisition to protect the institution's interest in a debt or debts previously contracted. The FDIC's ORE also includes all real estate acquired for investment or resale and the book value of any premises purchased directly or acquired by means of a capital lease used in the reporting Receivership's business operations, net of accumulated depreciation. Also known as "Other Real Estate Owned (OREO)."
Payment Authorization Voucher	Method of paying Receivership and non-Receivership bills.
Payoff or Payout	The type of resolution in which the FDIC is unable to arrange for the transfer of insured deposits to a healthy insured institution. The FDIC makes payment directly to the insured depositors and liquidates the assets of the failed financial institution.
Personally Identifiable Information	PII is any information about an individual which can be used to distinguish or trace that individual's identity, or any other personal information which is linked or linkable to that individual. PII includes the personal data of customers of financial institutions (collected by FDIC via receivership/or examination activities) as well as employees, contractors, and visitors to the FDIC. Click here to see examples of items that are <i>not</i> considered to be PII.
Personal Property	Objects that can be moved.

 Failed Financial Institution Closing Manual

Pool	Group of assets, usually loans, from failed financial institution(s) managed by an outside servicer; also, similar assets grouped for sale.
Pool Sale	The marketing and sale of a pool of similar assets. Pools are usually sold through sealed bids or auctions.
Portfolio Sale	The marketing and sale of a large portfolio of similar assets. Portfolio sales usually have been accomplished through sealed bid sales at the FDIC. Also known as a “Bulk Sale.”
Possessory Collateral	Collateral that is held by the lender while pledged for an outstanding loan, such as jewelry, cash, or stock certificates.
Power of Attorney	An instrument by which one person, as principal, appoints another as his agent and confers upon him the authority to perform certain specified acts or kinds of acts on behalf of the principal.
Present Value	Today’s value of a future payment, or stream of payments, discounted at some appropriate compound interest, or discount rate, also known as the time value of money, the FDIC may use the present value to value an asset.
Proforma	The financial statement as of a certain date (usually the closing date) of the failed financial institution; the Proforma statement will be split between the FDIC as Receiver and the Assuming Institution, if applicable.
Proof of Claim	The FDIC document used to file a claim against a failed financial institution. General creditors are required to file a proof of claim against the FDIC as Receiver.
Purchase and Assumption Agreement	An agreement between the FDIC in its Receivership capacity and a healthy insured institution in which the healthy insured institution purchases some or all of the assets and assumes some or all of the deposit liabilities of a failed financial institution.
Put Option	A provision in some purchase and assumption agreements under which an Assuming Institution has the option of requiring the FDIC, within a specified time frame, to repurchase certain loans that have been transferred to the Assuming Institution under a P&A agreement.
Qualified Financial Contracts	A publicly traded security or monetary vehicle (option, derivative) the repudiation of which could potentially unsettle financial markets. Parties to Qualified Financial Contracts may require notification upon bank failure.
Real Estate Mortgage Investment Conduit	A bond secured by pools of mortgage loans in different classes of maturity and risk.
Real Property	Land and whatever is erected or growing on it.

 Failed Financial Institution Closing Manual

Receiver	The FDIC in the capacity of Receiver is entrusted with authority to liquidate the holdings of the failed financial institution in order to satisfy the claims of creditors and maximize the recovery to the FDIC.
Receiver's Certificate	Issued to creditors of a failed financial institution entitling them to a portion of the proceeds of a Receivership in accordance with the priority scheme of the Receivership.
Receiver-in-Charge	The FDIC employee with overall responsibility for the management of the failed financial institution.
Receivership	The FDIC acting as Receiver of the assets of a failed financial institution. The Receiver is entrusted with authority to liquidate the holdings of the failed financial institution in order to satisfy the claims of creditors and to maximize the recovery to the FDIC.
Receivership Liability System	The FDIC's system of record for all Receivership depositor and creditor liabilities used by the Claims Department.
Release	To free a claim against property in a book of public record; to release a lien on real property with a county tax assessor.
Release/Research Request Form	The standard form used by the Collateral Release staff to track the processing of external requests.
Report of Examination	A report prepared by a bank's regulatory agency describing the condition of the institution.
Repossessions	Items of collateral that had been pledged on defaulted loans, commonly automobiles.
Representations and Warranties	Legally binding statements, made by the parties to a contract regarding, among other things, asset quality requirements. Representations and warranties, which may extend for only a few months or for the life of the asset or agreement, may protect the purchasers of loans from potential problems associated with missing loan documentation, title defects, or a change in payment status.
Repudiate	A Receiver's (or Conservator's) right to disaffirm outstanding contractual obligations previously entered into by a failed financial institution. The Receiver may take such action only if (1) the contracts are considered burdensome, and (2) repudiation will promote the orderly administration of the Receivership estate.
Repurchase Agreement	A contract giving the seller of securities (borrower bank) the right to repurchase after a stated period at a higher price. The securities secure the transaction and the price difference is the interest cost.
Request for Proposal	A form prepared by DOA-CSB to solicit contracting services.

Failed Financial Institution Closing Manual

Residual	Cash flows resulting from the difference between the income stream generated by a pool of mortgages and the cash flow necessary to fund a series of collateralized mortgage obligations or REMIC bonds.
Residual value	The economic value or money received by the R-Class bondholder, the FDIC, when (1) the bonds have been paid off and cash flows from the mortgage collateral are still to be generated, or (2) the proceeds from the sale of the mortgage collateral as whole loans are greater than the amount needed to retire the outstanding bonds.
Resolution	The winding down of the business affairs and operations of a failed financial institution through the orderly disposition of its assets after it has been placed in Receivership. The process of valuing, servicing, and converting the assets of a failed financial institution to cash to satisfy the claims of its creditors
Resolution Cost	For a given resolution method, the sum of the FDIC's expenditures and obligations incurred, including any immediate or long-term obligations and any direct or contingent liabilities for future payment. Since FDICIA was enacted in 1991, the FDIC has been required to select the resolution method that is least costly to the deposit insurance fund. (Also see <i>Least Cost Test</i> .)
Resolution Trust Corporation	The former federal agency established in 1989 due to the passage of FIRREA to handle the liquidation of thrifts after the dissolution of FSLIC. The Agency was dissolved December 31, 1995.
Return on Equity	An amount expressed as an annual percentage, earned by a company on its owners' common stock investment.
Return on Investment	An amount, expressed as a percentage, earned on a company's total capital calculated by dividing total capital into earnings before interest, taxes, and dividends.
Reverse Repo	Contract giving the purchaser of securities (lender bank) the right to sell back to the buyer at a higher price.
Risk Assessment	Generally, the identification and quantification of risk types, levels, and locations in a process or organizational unit. In the FDIC Internal Control Review program, management tries to identify the susceptibility of an organizational unit or process to the occurrence of waste, loss, unauthorized use, or misappropriation.
Savings and Loan	A financial institution similar to a bank established with the purpose of financing the purchase of homes.
Sealed Bid Sale	A "silent auction" in which investors independently value an asset and submit bids by a certain date. Information on bids or bidders is not released before the sale closes.

 Failed Financial Institution Closing Manual

Securities and Exchange Commission	The federal agency empowered to regulate and supervise the selling of securities, to prevent unfair practices on security exchanges and over-the-counter markets, and to maintain a fair and orderly market for the investor.
Securitization	The process by which assets with similar features are pooled into interest-bearing securities with marketable investment characteristics.
Security Agreement	A document that ties collateral to a loan.
Senior Management Oversight Committee	Standing committee which meets regularly to approve cases under its delegated authority.
Sensitive Information	Sensitive PII is a subset of PII. It may be comprised of a single item of information (e.g., SSN) or a combination of two or more items (e.g., full name along with another element of PII). Sensitive PII presents the highest risk of being misused for identity theft or fraud. For that reason, the use and storage of sensitive PII should be minimized whenever possible.
Settlement Account Transaction Form	Used to record transactions between the FDIC as Receiver and the Assuming Institution.
SharePoint	The Microsoft product used to host websites that access shared workspaces, information stores, and documents. SharePoint is most commonly used to store resolutions data on individual bank websites; however, several departments have created SharePoint sites to access current information, get real-time updates, and collaborate with co-workers.
Small Business Administration	The federal agency that encourages the growth of small businesses. The SBA offers low-interest rate loans and guaranties to qualified businesses. (Closing Manual interest is solely in guaranteed loans).
Society for Worldwide Interbank Financial Telecommunication	Secure international bank messaging system based in Brussels used by U.S. banks to transmit letter of credit information and conduct other international business with overseas correspondents.

 Failed Financial Institution Closing Manual

Special Purpose Entity	A business interest (usually a corporation or LLC) formed solely in order to accomplish some specific task or tasks. A Special Purpose Entity is a critical component to the securitization process. In a securitization, assets (such as mortgage loans or credit card receivables) are transferred by the originating institution to the Special Purpose Entity, and the Special Purpose Entity then issues securities to investors backed by those assets. This structure allows investors to purchase the securities in the assets without having to worry about the credit worthiness of the originating institution, which thereby allows the securities to be issued at a lower interest rate (reduced risk = reduced interest rate).
Specifically Designated Nationals and Blocked Persons	Persons listed by OFAC who must be reported if deposit accounts are discovered in their name.
State Banks	Banks that are chartered by a state banking authority. A state bank may have the word “State” in its name.
Subordinated Debt	An obligation that has a claim on assets junior to other debt and is repayable only after the other debt with a higher claim has been satisfied.
Subrogated Claim	An insured depositor’s demand against the Receivership that the FDIC acquires by virtue of having provided deposit insurance.
Subsidiary	A separate entity owned or controlled by a failed financial institution placed in FDIC Receivership. Although the parent institution may be in Receivership, the subsidiary may still be an operating business; in which case, the FDIC may have the responsibility to function as the Board of Directors and manage the assets and liabilities of the subsidiary.
Supplemental Employee Retirement Plan	A plan that provides additional retirement funds for employees, usually executives. Plans usually do not conform to ERISA and are not tax-deductible to the employee. Also known as “Senior Employee Retirement Plan.”
Swap	Financial arrangement to hedge interest rate risk, such as by contracting to exchange a future fixed rate return on a mortgage loan for a floating rate return in order to balance out the risk incurred with a floating rate deposit base.
Sweeps	Deposit accounts that by prearrangement are cleared below a set limit overnight to an investment account with “swept” balances to be returned the following business day.

 Failed Financial Institution Closing Manual

Systemic Risk	Risk associated with the general health or structure of the financial system which would have serious adverse effects on economic conditions or financial stability. An example of systemic risk might be the probability that the failure of a major bank will cause a substantial number of other banks to fail, leading to a loss of confidence in the safety and soundness of a significant sector of the U. S. banking system. A finding of systemic risk is the only exception to the FDICIA mandate (and subject to satisfying certain stringent, procedural requirements) that the FDIC chooses the resolution method with the least cost to the deposit insurance fund.
Treasury Bill	A U.S. government promissory note issued by the U.S. Treasury having a maturity period of up to one year. Notes having longer maturities are called Treasury Notes, and those with very long maturities are called Treasury Bonds. Treasury Bills are sold at a discount to face value.
Uninsured Deposit	The portion of any deposit of a customer at an insured depository institution that exceeds the applicable FDIC insurance coverage for that depositor at that institution.
Veterans' Administration	The federal agency that, among other services, guarantees home loans to veterans. (Closing manual interest is in VA guaranteed mortgage loans).
Voluntary Employee Beneficiary Association	A tax exempt trust set up by an employer for employee welfare benefits.
Whole Bank P&A	A type of purchase and assumption transaction in which the FDIC sells to an insured institution all or substantially all of the assets of a failed bank or thrift in consideration for the assumption of all deposits and sometimes other liabilities. Prospective bidders are invited to analyze a failing institutions assets and submit bids to purchase essentially all of the assets "as is" on a discounted basis and to assume the outstanding deposits.
Working Capital	The excess of current assets over current liabilities, representing the liquid assets immediately available to fund the continued operation of the business.
Yield	The effective annual rate of return on an investment expressed as a percentage.