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Bank and Thrift Examinations

Adoption of Risk-Focused Examination Strategies

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Bank and Thrift Examinations: Adoption of Risk-Focused Examination Strategies

Bank supervision and examination today show evidence of lessons learned from the bank and thrift crises of the 1980s and early 1990s. These procedures are the primary basis for federal regulatory agencies to assess the risks that banks and thrifts assume and to take actions to maintain a safe and sound banking system and protect deposit insurance funds.

One critical lesson of the earlier crises was that excessive regulatory forbearance contributed to the extent of the crises. The Federal Deposit Insurance Corporation Improvement Act of 1991 (FDICIA) based regulatory practices on a simple principle: if a depository institution fails to operate in a safe and sound manner, it should be subject to timely and forceful supervisory response, including, if necessary, prompt closure. FDICIA also required that banks reform their corporate governance and accounting practices and that the regulatory agencies improve their supervision of insured banks and thrifts. In a November 1996 report, however, GAO noted that questions remain about the effectiveness of FDICIA's trip-wire provisions which are intended to limit regulatory discretion. As implemented, the trip-wire that enables regulatory action at early stage of problems in a bank does little to limit regulatory discretion.

In several reports in the early 1990s, GAO also noted limitations in the safety and soundness examinations conducted by the regulatory agencies. The limitations included a lack of comprehensive internal control assessments, insufficient review of loan quality and loan loss reserves, weaknesses related to insider lending, and insufficient assessment of bank holding company activities with insured bank subsidiaries. GAO recommended actions to address these weaknesses, as well as weaknesses in the documentation of the analysis that underlies the examination report and in the supervisory review of examinations.

Regulators have made a number of changes in an effort to improve their examinations. The changes respond, in part, to the dynamic banking environment in which institutions can rapidly reposition risk exposures. To ensure that banks and thrifts have the managerial ability and internal control structure to effectively manage risk, the examination process is evolving to put greater emphasis on risk management and internal controls. An institution's sensitivity to market risk is now a separate component in its supervisory rating, for example. In general, these changes appear appropriate and consistent with the recommendations GAO has made. In its recent report on foreign banking organizations operating in the United States, GAO noted that regulators have begun to put greater emphasis on risk management processes and operational controls in

examinations of these organizations. However, GAO has not fully assessed the effectiveness of the changes for bank and thrift examination and notes that they have been instituted during favorable economic conditions that have contributed to strong bank and thrift profits. Also, several critical tasks remain for the regulatory agencies: ensuring consistency in the supervision and examination policies of multiple regulatory agencies, ensuring staff expertise, and examining increasingly complex banking organizations.

Bank and Thrift Examinations: Adoption of Risk-Focused Examination Strategies

Ms. Chairwoman and Members of the Committee:

We are pleased to be here today to discuss bank and thrift supervision and examination.

Supervisory and examination procedures today show evidence of lessons learned from the bank and thrift crises of the 1980s and early 1990s. These procedures are the primary basis used by the federal regulatory agencies to assess the risks that banks and thrifts assume and to take actions that are needed to maintain a safe and sound banking system and protect the deposit insurance funds.

A combination of regulatory and legislative changes, along with market forces, has expanded the number and scope of activities undertaken by insured depository institutions, particularly the largest ones, and thus the risks that they assume. These expanded activities include offering and/or dealing in a range of nontraditional bank products, such as mutual funds, securities, derivatives, and other off-balance sheet products.[1] The resulting complex institutions represent a major supervisory and regulatory challenge. In keeping with the changes in the banking environment, federal bank and thrift regulators have recently announced that bank examinations will explicitly include an assessment of how effectively banks manage risk and a rating on their sensitivity to risks posed by a variety of market factors.

Although we have not yet fully assessed the implementation of most of the recent changes to supervisory and examination policy, they appear to address some of our concerns about examinations in the aftermath of bank failures in the 1980s and early 1990s. Perhaps the most important—yet unanswered—question to ask in assessing changes in bank and thrift supervision is to what extent improvements in the detection of problems can help ensure that regulators take timely and forceful corrective action to prevent or minimize losses to the deposit insurance funds.

In my testimony today, I would like to review some of our prior reports and more recent work that

[1]Off-balance sheet products represent wholesale activities and fall into two broad categories: (1) derivative products and (2) contingent liabilities. Derivative products—such as futures, forwards, options, and swaps—are financial instruments whose value depends on the value of another underlying financial product. Contingent liabilities represent agreements by a banking institution to provide funds when certain conditions are met.

- describe the history of the bank and thrift crises of the late 1980s and early 1990s and the legislative response to these crises,
- highlight supervisory and examination weaknesses we have noted in the past and improvement efforts that have been made or are under way, and
- identify continuing issues.

Bank and Thrift Crises Highlighted Shortcomings in Supervision and Resolution

From 1980 to 1994, record losses were absorbed by the federal deposit insurance funds. In this period, nearly 1,300 thrifts failed, and 1,617 federally insured banks were closed or received FDIC financial assistance. Losses to deposit insurance funds have been estimated at about $125 billion.

Excessive Regulatory Forbearance Contributed to Problems of Thrifts and Banks and Insurance Fund Losses

Banks and thrifts failed during the 1980s for several reasons. A mismatch between the income from fixed rate mortgages and the costs of borrowing funds at market rates in competition with nondepository institutions were among the reasons for large losses that led to the failure of thrifts. Banks suffered losses from defaults on loans concentrated in several industries that suffered economic downturns over the decade, including agriculture, real estate, and developing nation loans.

One factor we and others cited as contributing to the problems of both thrifts and banks during this period was excessive forbearance by federal regulators. Regulators had wide discretion in choosing the severity and timing of enforcement actions to correct unsafe and unsound practices. They also had a common philosophy of trying to work informally and cooperatively with troubled institutions. In a 1991 report, we concluded that these conditions had resulted in enforcement actions that were neither timely nor forceful enough to (1) correct unsafe and unsound banking practices or (2) prevent or minimize losses to the insurance funds. The regulators themselves have recognized that their supervisory practices failed to adequately control risky practices that led to numerous thrift and bank failures. We made specific recommendations for changes to the supervisory process that would help ensure that institutions failing to operate in a safe and sound manner would be subject to timely and forceful supervisory response, including, if necessary, prompt closure.

Legislation Was Enacted to Address Problems

Congress passed two major laws to address the thrift and bank crisis of the 1980s. The first, the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (FIRREA), primarily responded to the bankruptcy

of the Federal Savings and Loan Insurance Corporation (FSLIC) and troubles in the thrift industry. In addition to creating the Savings Association Insurance Fund to replace FSLIC, FIRREA created a new thrift industry regulator with increased enforcement authority—the Office of Thrift Supervision. It also authorized FDIC to terminate a bank's or thrift's deposit insurance for unsafe and unsound conditions.

The second law, the Federal Deposit Insurance Corporation Improvement Act of 1991 (FDICIA), was enacted, in part, because of concerns that the exercise of regulatory discretion during the 1980s did not adequately protect the safety and soundness of the banking system or minimize insurance fund losses. FDICIA contains several safety and soundness provisions based on a simple principle: if a depository institution fails to operate in a safe and sound manner, it should be subject to timely and forceful supervisory response, including, if necessary, prompt closure. Also, FDICIA requires a number of corporate governance and accounting reforms to (1) strengthen corporate governance, (2) improve financial reporting, and (3) aid early identification of safety and soundness problems. Among the corporate governance and accounting reforms, FDICIA establishes generally accepted accounting principles as the standard for all reports to regulators; requires that management and auditors annually report on the financial condition and management of the largest depository institutions, including effectiveness of and compliance with internal controls; and requires that institutions have independent audit committees composed of outside directors.

In addition, FDICIA contains provisions for improving regulatory supervision. FDICIA mandates annual on-site examinations of insured banks and thrifts.[2] Also, consistent with specific recommendations we made, it requires implementation of a "trip wire" approach to limit regulatory discretion in key areas, including capital, by mandating specific regulatory responses to safety and soundness problems. These changes, incorporated in sections 38 and 39 of the Federal Deposit Insurance Act, were intended to increase the likelihood of prompt regulatory action to prevent or minimize loss to the insurance funds.

The Effectiveness of New Laws in Safeguarding Deposit Insurance Funds Could Potentially Be Limited

In November 1996, we reported that inherent limitations of section 38 requirements and the regulatory implementation of section 39 raise questions about their potential for effectively ensuring that regulators act early and forcefully enough to prevent or minimize losses to the insurance funds. Section 38 requires regulators to take specific, increasingly severe

[2] An 18-month cycle is allowed for qualified smaller institutions with assets of less than $250 million.

regulatory action as an institution's capital drops to lower levels. Although this requirement should strengthen oversight in several ways,[3] it is inherently limited as a tool for early intervention to correct problems and thus safeguard the insurance funds. This is because impaired capital levels often do not appear until after a bank has experienced problems in other areas, such as asset quality and management.

Section 39 allows regulatory action before capital is impaired. However, section 39, as implemented, appears to do little to reduce regulatory discretion. The implementing guidelines and regulations did not (1) establish clear and specific definitions of unsound conditions and practices or (2) link such conditions or practices to specific mandatory regulatory actions. As we noted in our 1996 report, the subjective nature of the implementation continued the wide discretion that regulators had in the 1980s over the timing and forcefulness of enforcement actions.

Other Weaknesses Were Noted That Could Limit Effectiveness or Reliability of Examinations

Of course, before regulators can initiate an enforcement action, they must first identify problems within an institution. The primary tool regulators use for this is the full-scope safety and soundness examination. Traditionally, such examinations have relied significantly on transaction testing.[4] Transaction testing is used to evaluate the adequacy of the credit administration process, assess the quality of loans, and ensure the adequacy of the allowance for loan and lease losses. In past reviews of bank and thrift examinations, we found limitations that could undermine the reliability and effectiveness of examinations. These included the following:

- A lack of comprehensive internal control assessments: In past work, we found that weak internal controls were a common characteristic of failed banks and thrifts.[5] Assessing the adequacy of internal controls is important, because timely detection of inadequate controls can provide an early warning of problems before they seriously erode asset quality and capital. Our past reports on the examination process found that examiners

[3]Section 38 should help prevent certain practices that rapidly eroded the capital of troubled institutions and contributed to deposit insurance fund losses. Section 38 imposes growth restrictions to prevent "undercapitalized" and "significantly undercapitalized" institutions from trying to "grow" their way out of financial difficulty.

[4]Regulatory guidance describes transaction testing as a reliable and essential examination technique for use in the assessment of an institution's condition and the verification of its adherence to internal policies, procedures, and controls.

[5]A financial institution's system of internal control provides the framework for achieving management objectives, protecting assets from loss, reporting financial information accurately, and complying with pertinent laws and regulations.

did not systematically test critical internal controls such as compliance with loan underwriting policies. We recommended that a comprehensive review of internal controls be a part of bank and thrift examinations and that the condition of a bank's or thrift's system of internal controls receive explicit consideration in a determination of an institution's examination rating.

- Insufficient review of loan quality and loan loss reserves: Effective loan quality assessment is important, because loans generally make up the majority of bank and thrift assets and involve the greatest risk. Determining the adequacy of loan loss reserves is critical because without such a determination, in combination with a proper assessment of loan quality, examiners have no reliable basis to understand an institution's true financial condition. We recommended that examination policies require a representative sampling of loans and better documentation of loan quality and the development of a methodology to determine the adequacy of loan loss reserves.
- Weaknesses in detecting and ensuring corrective actions related to insider lending: Loans to insiders—such as bank directors, officers, or principals—should pose no greater risk than transactions with other bank customers. Abusive insider activities can be among the most insidious of reasons for the deterioration of the health of a bank. In 1994, we reported that examiners faced numerous impediments to determining the full extent of insider problems at banks and that such problems were not always corrected as a result of examinations. We recommended that bank regulators review insider activities in their next examination of each bank, partly by comparing data provided during the examination with information from other sources. We also recommended that federal bank regulators ensure that all directors understand their responsibility for seeing that effective corrective action is taken.
- Insufficient assessment of actual and potential risks of bank holding company activities to insured bank subsidiaries: In our reports, we have found that transactions between a bank holding company and its insured bank subsidiary were not always thoroughly reviewed. Such transactions include loans from the bank to other, nonbank subsidiaries; fees charged by the bank holding company to the bank subsidiary; and asset transfers from nonbank subsidiaries to the bank subsidiary. We recommended that the supervisors develop and require mandatory procedures for assessing the actual and potential risks to insured bank subsidiaries of bank holding company activities.

We also found in past reviews the need for improvements in important elements of examination quality control. We regard these quality controls

as essential, because examiners have broad discretion and must exercise considerable judgment in planning and conducting examinations and in drawing conclusions about bank safety and soundness. Our findings led us to recommend that regulators establish policies to ensure

- sufficient documentation of the analysis that underlies the examination report, and
- thorough supervisory review of all examination and inspection procedures

Finally, we have noted in past reports that improved coordination among federal and state banking supervisors could result in more efficient and effective use of examination resources. Coordination is also critical for the supervision of large banking institutions in that it could foster consistency in examinations and reduce regulatory burden.

Regulators Have Made Significant Efforts to Improve Examinations

Regulators have made a number of changes in an effort to improve their examinations since the bank and thrift crises of the late 1980s, and I would like to highlight some that seem most significant. In general, these changes appear appropriate and consistent with recommendations we have made. However, we have not fully assessed the effectiveness of their implementation. When evaluating these changes, it is also important to note that they have occurred during favorable economic conditions that have contributed to strong bank and thrift profits. The most important test for the changes will be whether the information they provide in examination reports would lessen the severity of problems for banks and thrifts during any future economic downturn.

A Changing Banking Environment Has Prompted Greater Emphasis on Risk Management and Internal Controls

One of the most significant efforts at improvement involves changes in examinations to account for a dynamic banking environment in which institutions can rapidly reposition their portfolio risk exposures. Regulators have recognized that in such an environment, periodic assessments of the condition of financial institutions based on transaction testing alone are not sufficient for ensuring the continued safe and sound operation of financial institutions. To ensure that institutions have the internal controls and processes in place necessary to identify, measure, monitor, and control risk exposures that can change rapidly, the approach regulators are taking to the examination process is evolving to emphasize evaluations of the appropriateness of such internal controls and processes instead of relying heavily on transaction testing.

Assessment of Risk Management and Internal Controls Is Reflected in New Rating System

Regulators have changed the system they use to rate the safety and soundness of banks and thrifts to reflect an increasing emphasis on risk management and internal controls. Until January 1997, examiners used the rating system known as CAMEL (capital adequacy, asset quality, management and administration, earnings, and liquidity). Examiners were instructed in 1996 to give greater emphasis to the adequacy of an institution's risk management processes, including its internal controls when evaluating management under the CAMEL system.

On December 9, 1996, the Federal Financial Institution Examination Council added an "S" to create a new CAMELS rating, with the S representing an institution's sensitivity to market risk. The S rating component is to represent the result of a combined assessment of both the institution's level of market risk and its ability to manage market risk.[6] Regulators expect the sophistication of an institution's risk management system to be commensurate with the complexity of its holdings and activities and appropriate to its specific needs and circumstances.

I should mention that in regulators' examinations of U.S. branches of foreign banks, an emphasis on risk management and internal controls began in 1994 with implementation of a rating system known as ROCA (risk management, operational controls, compliance, and asset quality.)

As I noted earlier, we have recommended that the condition of a bank or thrift's system of internal controls receive explicit consideration in a determination of the institution's examination rating. We have also recommended that the regulators develop and require minimum mandatory procedures to assess the actual and potential risks of bank holding company activities to insured bank subsidiaries. Increased attention to internal controls and risk management, if effectively implemented, should help enhance the regulators' ability to keep pace with a changing banking environment. The supervisors' effective implementation of these initiatives is essential to the success of their examination programs. Regulators also told us that they believe that these initiatives complement the prompt corrective action policies mandated by FDICIA.

[6]Market risk—the potential for losses due to changes in interest rates, foreign exchange rates, commodity prices, or equity prices—can adversely affect a bank or thrift's earnings or economic capital. For many banks, market risk is largely the interest rate risk associated with their loan portfolios.

Regulators Have Made Other Improvement Efforts

Other improvement efforts I'd like to highlight that we regard as consistent with our earlier recommendations include the following:

- Improvements in examination guidelines to detect insider lending problems: The recommendations we made in this area have been adopted by the Federal Reserve Board, FDIC, and the OCC. Specifically, examination guidance now explicitly calls for reviewing insider activities and ensuring that directors understand their responsibility for effective corrective action.
- Improvements under way in examination documentation and supervisory review of examination findings: Federal banking regulators have described relevant improvement efforts. For example, according to the Federal Reserve's Framework for Risk-Focused Supervision of Large Complex Institutions, the Federal Reserve has been working to refine its standards for workpapers, especially for examinations of state member banks. Also, the Federal Reserve and FDIC have recently implemented an automated examination process to standardize documentation. Federal Reserve officials said that about 25 U.S. states, to date, have also indicated they will begin using this standardized work process. In addition, OCC issued a new policy in February 1997 describing workpaper requirements for all of its supervisory activities.
- Agreements to coordinate examinations by federal and state banking regulators: The Federal Reserve Board, FDIC, and state banking departments completed a single Nationwide State/Federal Supervisory Agreement in November 1996 covering state-chartered banks that open branches in other states. This agreement modifies an April 1996 State/Federal Protocol and Model Agreement by including the Federal Reserve Board as a signatory. Together, these agreements set out, among other things, the goals of supervision, division of responsibilities among the various regulators, and common examination and application processes. Federal Reserve and FDIC officials told us that implementation to date has been successful. These officials also said the examination process has been improved by assigning each institution a single case manager who is responsible for coordinating all examinations of that institution.

Continuing Issues

Changes in examination procedures and in the banking industry will lead to new challenges for the supervisory agencies. A key task will be ensuring consistency in the supervisory and examination policies and practices of the agencies. Further, the agencies face the tasks of ensuring staff expertise and examining increasingly complex banking organizations.

Supervisory Coordination and Consistency

Nontraditional lines of business and interstate branching will bring increasing numbers of depository institutions under the jurisdiction of several regulatory agencies. One result of this will be a more complex task of ensuring that the regulations and enforcement actions of multiple agencies are consistent and that their examinations provide a complete picture of the banks' and thrifts' operations.

The division of responsibilities among the bank and thrift regulatory agencies is not generally based on specific areas of expertise, functions, or activities of either the regulatory agency or the banks for which they are responsible. Rather, responsibilities are divided according to the type of charter—thrift or bank, national or state—and whether banks are members of the Federal Reserve System. Some analysts, bank industry representatives, and agency officials credit the current structure with encouraging financial innovations and providing checks and balances to guard against arbitrary oversight decisions or actions. We and others, however, have identified concerns that arise from having four agencies with similar responsibilities. These concerns include possible inconsistent treatment of institutions in examination policies and practices, enforcement actions, and regulatory standards and decisionmaking. In the case of bank holding companies, with the Federal Reserve responsible for the bank holding company and other federal regulators responsible for the banking subsidiaries, divided supervisory responsibility may hinder regulators from obtaining a complete picture of an entire banking organization.

Although we recognize that only Congress can make the policy judgments in deciding whether and how to restructure the bank oversight system, we have recommended that Congress reduce the number of agencies with primary responsibilities for bank oversight. If the current structure, with multiple agencies, continues, coordinating their activities and ensuring consistency in their regulations and enforcement actions will remain difficult issues. The regulatory agencies have several initiatives under way that are intended to better coordinate their activities and ensure consistency, such as the automated examination process developed by the Federal Reserve and FDIC. Ultimately, these initiatives should be judged by their results, particularly including the quality of the examinations.

Supervisory Expertise

As banking activities have become more complex, bank examinations have required increasingly broader expertise. As a result, another issue

that the regulators will continue to face is the need to build and maintain the expertise needed for supervising these more complex organizations.

Federal regulators have hired specialists, such as economists with technical expertise in the quantitative methods and economic models underlying banks' risk management systems and specialists in electronic banking, bank information systems, and risk management. Further, the agencies have a number of initiatives to improve the scope and quality of information that is provided to field examiners to help them understand banking activities and the risks that banks undertake.

In addition, the supervisory agencies have recently completed training on the risk-focused examination process and the new CAMELS rating system. Previously, the Federal Reserve took steps to enhance examiner training on internal controls by developing an Internal Controls School in 1995 that was designed initially for examiners of U.S. branches and agencies of foreign banks and expanded to meet the needs of examiners of U.S. domestic banks. Federal Reserve officials told us that they also developed a training seminar in 1996 for examiners and in-house international supervisory staff that emphasizes ensuring the appropriate supervisory strategy for the U.S. operations of foreign banks.

Examinations of Complex Financial Institutions

With the passage of interstate banking and the increased reliance of banks on lines of business other than traditional lending, we anticipate that the task of bank management will become more difficult. The bank regulatory agencies will face a similar challenge—ensuring that their examinations and enforcement strategies lead to sound management practices as banks increasingly rely on nontraditional lines of business. Since large, complex bank organizations are likely to come under the regulatory jurisdiction of several agencies, the problem of coordination that I mentioned earlier will be relevant for these organizations. Several of our recent reports point to other types of issues that are likely to become increasingly common as banks move into more complex lines of business.

In our report on the operations of securities activities in banks and bank holding companies, for instance, we noted that most banks provided securities services in affiliates that are regulated primarily by securities regulators. Some securities activities are overseen by the bank regulators, however, so the potential for inconsistent oversight exists. Because securities oversight would be enhanced by increased cooperation, coordination, and sharing of regulatory expertise among bank and

securities regulators, we recommended that the bank regulators work with the Securities and Exchange Commission and the National Association of Securities Dealers to develop consistent standards for investor protection and to ensure the safety and soundness of banks that are engaged in some form of securities business.

In our report on the operations of foreign bank organizations in the United States, we noted deficiencies in the internal controls of these organizations. Although federal bank regulators are aware of these deficiencies and have initiatives under way that they believe will address these problems, we noted that the regulators do not have plans to evaluate the results of these initiatives. We recommended that the Federal Reserve Board develop a strategy for evaluating the outcomes of the efforts to improve the internal controls of foreign bank organizations.

It will be important for the regulatory officials to develop a strategy, including objective measures, for assessing the progress they are making through their efforts to improve the examination process and to ensure that the procedures and systems necessary to collect the data relevant to those measures are in place and operating. Such objective evaluations should be useful in determining whether the examinations are achieving their intended results or whether additional initiatives may be needed.

At the same time, we are encouraged by some of the changes that the bank regulatory agencies have made in their examination procedures, since they appear to address a number of the shortcomings that we had addressed in our earlier reports. As one official noted, the small number of banks in difficulty has provided the regulatory agencies with an opportunity to improve their operations. However, the business of banking has been changing at the same time, and banks are taking on new risks. Also, because of the differences in the responsibilities and the examination and enforcement approaches among regulators, such as those for the security activities of depository institutions, a key question is whether improvement will be uniformly adopted by all regulators and consistently implemented. Whether current examination strategies provide an adequate basis for the regulatory agencies to anticipate problems and take appropriate and prompt corrective actions to address those problems, especially during any future economic downturn, is unknown.

Ms. Chairwoman, this concludes my statement. My colleagues and I would be pleased to respond to any questions you may have.

Related GAO Products

Foreign Banks: Internal Control and Audit Weaknesses in U.S. Branches (GAO/GGD-97-181, Sept. 29, 1997).

Financial Regulation: Bank Modernization Legislation (GAO/T-OCE/GGD-97-103, May 7, 1997).

Bank and Thrift Regulation: Implementation of FDICIA's Prompt Regulatory Action Provisions (GAO/GGD-97-18, Nov. 21, 1996).

Bank Oversight: Fundamental Principles for Modernizing the U.S. Structure (GAO/T-GGD-96-117, May 2, 1996).

Financial Regulation: Modernization of the Financial Services Regulatory System (GAO/T-GGD-95-121, Mar.15, 1995).

Bank Insider Activities: Insider Problems and Violations Indicate Broader Management Deficiencies (GAO/GGD-94-88, Mar. 30, 1994).

Bank Regulation: Consolidation of the Regulatory Agencies (GAO/T-GGD-94-106, Mar. 4, 1994).

Bank and Thrift Regulation: FDICIA Safety and Soundness Reforms Need to Be Maintained (GAO/T-AIMD-93-5, Sept. 23, 1993).

Bank and Thrift Regulation: Improvements Needed in Examination Quality and Structure (GAO/T-AFMD-93-2, Feb. 16, 1993).

Bank Examination Quality: OCC Examinations Do Not Fully Assess Bank Safety and Soundness (GAO/AFMD-93-14, Feb. 16, 1993).

Bank and Thrift Regulation: Improvements Needed in Examination Quality and Regulatory Structure (GAO/AFMD-93-15, Feb. 16, 1993).

Bank Examination Quality: FDIC Examinations Do Not Fully Assess Bank Safety and Soundness (GAO/AFMD-93-12, Feb. 16, 1993).

Bank Examination Quality: FRB Examinations and Inspections Do Not Fully Assess Bank Safety and Soundness (GAO/AFMD-93-13, Feb. 16, 1993).

Banks and Thrifts: Safety and Soundness Reforms Need To Be Maintained (GAO/T-GGD-93-3, Jan. 27 1993).

Bank Supervision: Prompt and Forceful Regulatory Actions Needed (GAO/GGD-91-69, Apr. 15, 1991).

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