

Letter from the Director

This issue of *Supervisory Insights* looks at a critical component of banks' real estate lending programs – real estate collateral valuations. Effective collateral valuation policies and practices help minimize losses when collateral becomes the primary repayment source. To clarify supervisory expectations for prudent real estate appraisals and evaluations, the FDIC, along with the other federal financial institution regulatory agencies, issued the *Interagency Appraisal and Evaluation Guidelines* (Guidelines) on December 2, 2010. "Navigating the Real Estate Valuation Process" highlights certain aspects of the Guidelines and provides information for bankers regarding real estate valuation processes in the areas of valuation review, independence, content standards, preparer selection, and monitoring. The use of evaluations and third-party arrangements also are discussed, as well as recent independence and fee standards resulting from enactment of the *Dodd-Frank Wall Street Reform and Consumer Protection Act*.

This issue of *Supervisory Insights* also looks at mobile banking. Using a mobile device to conduct banking transactions is increasingly attractive to consumers and businesses, but

along with the added convenience comes potential risks. "Mobile Banking: Rewards and Risks" describes how mobile banking services are delivered, identifies the unique risks to financial institutions and consumers, and describes strategies for mitigating these risks.

We hope you take the time to read the articles in this issue and find them to be interesting and informative. As always, we encourage our readers to provide feedback and suggest topics for future issues. Please e-mail your comments and suggestions to SupervisoryJournal@fdic.gov.

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