



**Federal Deposit Insurance Corporation**  
550 17th Street NW, Washington, D.C. 20429-9990

**Financial Institution Letter**  
**FIL-71-2011**  
**November 23, 2011**

## **SEMINAR ON COMMERCIAL REAL ESTATE LOAN WORKOUTS AND RELATED ACCOUNTING ISSUES**

**Summary:** The FDIC will host a free telephone seminar to discuss prudent commercial real estate (CRE) loan workouts and related accounting issues, including the treatment for troubled debt restructurings (TDRs). The seminar will be held from 1:00 to 2:30 p.m. EST on December 15, 2011. Employees of all FDIC-supervised institutions are invited to participate.

**Statement of Applicability to Institutions with Total Assets under \$1 Billion:** This Financial Institution Letter is available to all FDIC-supervised financial institutions.

### **Distribution:**

FDIC-Supervised Banks (Commercial and Savings)  
FDIC-Supervised Savings Associations

### **Suggested Routing:**

Chief Executive Officer  
Chief Lending Officer  
Chief Financial Officer  
Chief Accounting Officer  
Call Report Preparer

### **Related Topics:**

*Policy Statement on Prudent CRE Workouts (FIL-61-2009)*  
*Managing CRE Concentrations in a Challenging Environment (FIL-22-2008)*  
*Interagency Statement on Meeting the Needs of Creditworthy Borrowers (FIL-128-2008)*  
*Allowance for Loan and Lease Losses: Revised Policy Statement and Frequently Asked Questions (FIL-105-2006)*  
*Consolidated Reports of Condition and Income*

### **Contacts:**

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### **Note:**

FDIC financial institution letters (FILs) may be accessed from the FDIC's Web site at [www.fdic.gov/news/news/financial/2011/index.html](http://www.fdic.gov/news/news/financial/2011/index.html).

To receive FILs electronically, please visit <http://www.fdic.gov/about/subscriptions/fil.html>.

Paper copies of FDIC financial institution letters may be obtained through the FDIC's Public Information Center, 3501 Fairfax Drive, E-1002, Arlington, VA 22226 (1-877-275-3342 or 703-562-2200).

### **Highlights:**

- The FDIC recognizes that prudent CRE workouts are often in the best interest of financial institutions and creditworthy CRE borrowers.
- Financial institutions and borrowers face significant challenges when dealing with diminished operating cash flows, depreciated collateral values, or prolonged sale and rental absorption periods.
- Financial institutions engaging in workout activities have raised questions regarding CRE workouts and the related accounting issues, including the treatment for TDRs.
- The seminar will consist of a short discussion regarding the CRE-related issues raised by financial institutions, followed by a question-and-answer period.
- Participants are encouraged to submit questions in advance to [RAC@FDIC.gov](mailto:RAC@FDIC.gov) with CRE Workouts or CRE Accounting in the subject line.
- Financial institution officers and employees wishing to participate in this free telephone seminar should dial 888-946-8383 and enter pass code 2915837# to join the presentation 30 minutes before the 1:00 p.m. EST start time.