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CERTIFIED PUBLIC ACCOUNTANTS

Shared-Loss Agreements

Complying with FDIC Requirements

Assisting Financial Institutions with Shared-Loss Compliance

The FDIC first introduced the loss sharing concept in certain purchase and assumption transactions in 1991. Since then, the FDIC has entered into over 200 loss sharing agreements with approximately \$159.2 billion in assets covered by these agreements. The opportunity to purchase assets under a loss sharing agreement (LSA) provides many benefits to the acquiring institution; however, there are significant, time consuming compliance requirements to face in order to receive all of the benefits the LSA has to offer.

Once the transaction is complete, many institutions face challenges related to identifying the purchased assets for proper tracking and reporting. Some institutions also realize they may not have enough qualified personnel on hand to carry out all of the documentation and reporting requirements.

Does your institution need help with FDIC reporting requirements associated with a loss sharing agreement? Are you ready for an FDIC inspection of your loss sharing records? With experience in this area, we are sure we can assist you with your LSA compliance requirements.

Ways We Can Help

- Review your processes and internal controls related to the loss sharing agreement. From this review, we identify any deficiencies in the design of your internal controls.
- Review of preparation, approval and filing of reports and certificates.
- Select a sample of transactions and perform testing to determine if the transactions were correctly accounted for and properly reported on the FDIC loss sharing certificate.
- Perform internal audit of shared-loss compliance as required by the Purchase and Assumption Agreement.

If you would like to learn how our firm can help your institution, contact one of the following:

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About our Firm

McNair, McLemore, Middlebrooks & Co., LLC is a leading accounting firm in the southeast with over 55 years of practice. Located in middle Georgia, the firm has 22 partners and a staff of over 100 professionals offering diverse strengths and the expertise necessary to provide a full range of audit, accounting, tax, consulting and other financial services to a broad spectrum of clients in specialized industries including banking, healthcare, electric cooperatives, telecommunications, manufacturing, automobile dealerships, governmental, not-for-profit, retail, insurance and real estate development.

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Visit us online at www.mmmcpa.com to learn more about our firm and how we might help your institution.