F. Christopher Calabia
Senior Vice President
Financial Institution Supervision Group
Federal Reserve Bank of New York

Abstract

Requiem for the Bank Examiner?
The Continued Evolution of Supervision
in the Aftermath of the Financial Crisis[1]

The global financial crisis of 2008 exposed weaknesses in thinking and practices across the financial system that proved to be critical. Some financial institutions placed too much confidence in the meaning of an investment grade rating for an otherwise complex and opaque securities issuance; others failed to believe that housing prices across diverse real estate markets in the United States could all decline at once.

While much has been written already about these and other lessons that industry participants may have learned from the crisis, less has been written about the lessons learned by supervisors and the resulting changes they are making in their thinking and practices. During the financial crisis itself, and in the years after, U.S. supervisors have been exploring new thinking and new practices as they discharge statutory responsibilities to promote the safety and soundness of financial institutions.

As supervisors approach a potential cross-road in the continued evolution of their work, the examiner's role in evaluating and communicating assessments of the quality of each firm's management and leadership will likely remain crucial to strengthening practices and risk cultures within firms.

[1] The views and opinions expressed in this presentation are the speaker's own and do not necessarily reflect the views of the Federal Reserve Bank of New York or of the Federal Reserve System.