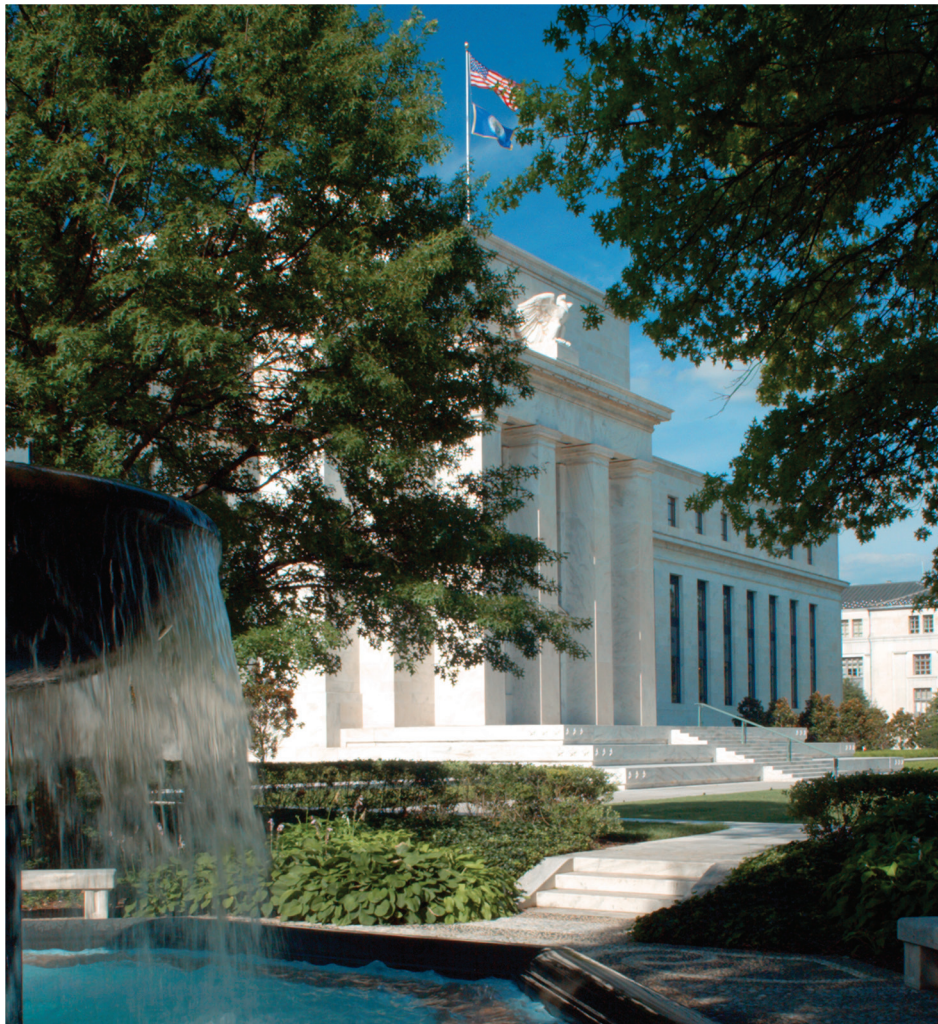




Federal Reserve System Training Program

2011 Course Catalogue



This booklet includes descriptions of Federal Reserve System examiner training programs as well as FFIEC courses and conferences.

For international distribution

The International Training and Assistance (ITA) website, which includes a link to this complete catalogue as well as our new online application system, can be accessed at

www.federalreserve.gov/bankinfo/ita/about_ita.htm



December 2010

Dear Colleagues:

It is our pleasure to provide you with this catalogue of supervisory and regulatory training programs the Federal Reserve System will offer in 2011. These programs are designed for and offered exclusively to supervisory staff and officials from other central banks and regulatory authorities, and provide a forum for participants from around the globe to exchange views and draw lessons learned from practical experience.

The strength of our training programs is that they cover the latest emerging supervisory issues, combining theory with a heavy dose of practical knowledge by incorporating case studies, exercises, and group work. All of our training is conducted by our most seasoned subject-matter experts from within the Federal Reserve System who have years of practical, hands-on experience. In the post crisis environment, it is ever more important to focus on training bank supervisors in the fundamental elements of bank examination and supervision techniques, which is what our programs have provided for over ten years.

The desire of most countries to adopt best practices prompted the Federal Reserve to be the first supervisory training provider in the world. To the more than 150 countries that have taken part in Federal Reserve System training programs over the last two decades, I want to thank you for being wonderful partners in our exciting investment in human capital.

Sincerely,

Sarkis D. Yoghourtdjian
Assistant Director

Table of Contents

Introduction	i
General Information	v
Schedules	
Federal Reserve System.....	3
S.T.R.E.A.M. Technology Lab – Federal Reserve Bank of Chicago.....	5
Federal Financial Institutions Examination Council.....	7
Federal Reserve System Center for Online Learning	
Supervision Training and Reference Tool (STaRT) Modules.....	11
Federal Reserve System Course Descriptions	
Bank Fraud Detection Workshop*	15
Consolidated Supervision and Risk Integration Seminar*	17
Bank Analysis and Examination School*	19
Credit Risk Analysis School*	21
Advanced Credit Risk Measurement and Management Seminar*	23
Risk Management and Internal Controls Seminar*	25
Market Risk Analysis Seminar*.....	27
Bank Management School*	29
Principles of Asset/Liability Management Seminar*	33
Electronic Banking and Technology Risk Supervision Seminar*	35
Operational Risk Assessment Seminar*	37
Anti-Money Laundering Examination Seminar*.....	39
Joint Banque de France International Banking and Finance Institute/Federal Reserve System - "Risk-Focused Supervision and Risk Assessment Seminar"	41
Joint International Monetary Fund/World Bank/Federal Reserve Board - "Seminar on Policy Challenges for the Financial Sector"***	43
Joint International Monetary Fund/World Bank/Federal Reserve System - "Seminar for Senior Bank Supervisors from Emerging Economies"***	45
Principles of Insurance Risk Supervision	47
Real Estate Lending Seminar.....	49
S.T.R.E.A.M. Technology Lab – Federal Reserve Bank of Chicago Course Descriptions	
Information Systems Vulnerability Management	53
Operating Systems	57
Network Security	61
IT Supervisory Themes and Emerging Topics.....	65
Federal Financial Institutions Examination Council (FFIEC) Course Descriptions	
Financial Crimes Seminar.....	71
International Banking School	73
Payment Systems Risk Conference	75
Other Agency Course Descriptions	
The Options Institute.....	79

*These programs are designed for and offered exclusively to participants from other central banks and supervisory authorities.

**Participation in this program is by invitation.

Introduction

It is our pleasure to provide you with this catalogue of examiner training courses the Federal Reserve System (FRS) will offer in 2011. The FRS's 2011 examiner training programs will be held in training facilities at 1850 K Street NW, in Washington, DC, as well as in the training facilities of the Federal Reserve Banks of Chicago and San Francisco. For your convenience, the catalogue also contains information on courses offered by the Federal Financial Institutions Examination Council (FFIEC) as well as general information about registration procedures, lodging, and other relevant information. It is important that you read the information contained in this catalogue prior to making a request to register a staff member from your institution.

The FRS is pleased to accommodate colleagues from other bank supervisory authorities in its training programs on a space-available basis. As most classes fill up quickly, it is recommended that you enroll your staff as early as possible. We must ask that all enrollments be made at least *eight weeks* before the starting date of the class.

Many courses contain some pre-course work, which must be completed by the participant prior to the first day of class. Required pre-course work is listed under each course description along with the estimated amount of time the participant must dedicate to it and the nature of the work. Pre-course work is designed to bring each participant to a base level of knowledge, thereby enabling instructors to deliver information effectively and use class time efficiently. The eight-week enrollment requirement allows time for receipt and preparation of pre-course assignments. *English proficiency is a requirement for this and all other courses outlined in the catalogue.*

All courses in this catalogue are designed primarily for bank supervisors. We would like to draw your attention to the joint International Monetary Fund/World Bank/Federal Reserve System "Seminar for Senior Bank Supervisors from Emerging Economies," which is offered every October in Washington, DC. The objectives of the seminar are to familiarize participants with the importance of bank and financial sector regulation and supervision for economic growth and development; to consider alternative regulatory and supervisory approaches and related international trends; to discuss solutions for dealing with bank insolvency and financial system distress; and to learn about the latest developments in supervision and on-site examination techniques. Please note, participation in this seminar is by invitation only.

You will note in this year's catalogue that new courses, features, and services are being offered. Among them are

- *IT Supervisory Themes and Emerging Issues.* Offered by the S.T.R.E.A.M. Technology Lab of the Federal Reserve Bank of Chicago and newly available to our colleagues from other countries, this course is designed to highlight emerging topics in supervision of information technology in a condensed and discussion-oriented format. Topics include virtualization, cloud computing, cloud computing vendor management, data leak prevention, wireless 802.11n, VOIP, IT governance, remote deposit capture, ITIL/capacity management and BCP/pandemic preparedness.

Introduction

- *Third Annual Joint Banque de France International Banking and Finance Institute/Federal Reserve System "Risk-Focused Supervision and Risk Assessment Seminar."* This seminar is designed to demonstrate a risk-focused approach to assessing and examining a financial institution's credit, market, liquidity, and operational activities. The course highlights core elements of the examination process, such as planning, implementation, and follow-up. Presentations will be made simultaneously in French and English.
- *Redesigned ITA Website.* ITA's redesigned website, which includes a link to this complete catalogue, can be accessed online at www.federalreserve.gov/bankinforeg/ita/about_ita.htm.
- *ITA Course Online Registration System.* For 2011, we are pleased to offer online registration for training courses listed in this catalogue. Applicants are encouraged to submit an online application form through our new interactive course catalogue at www.federalreserve.gov/bankinforeg/courses.htm.

Lastly, please note that all domestic and international supervision training is handled centrally through the Board of Governors of the Federal Reserve System. You may direct your request for training and technical assistance to

Mr. Sarkis D. Yoghourtdjian
Assistant Director
Division of Banking Supervision and Regulation
Board of Governors of the Federal Reserve System
Washington, DC 20551
U.S.A.

Introduction

Meet the Staff



John McCormick
Manager



Mark Dorin
Senior Financial Analyst



Carolyn Drach
Supervisory Financial Analyst



Daniel Beals
Intern



Jose Pignano
Supervisory Financial Analyst



Maribeth Seraj
Assistant Curriculum Analyst



Sheila Simms
Senior International Training and Assistance Technician

The International Training and Technical Assistance Section
Division of Banking Supervision and Regulation
Board of Governors of the Federal Reserve System
Washington, DC U.S.A

General Information

General Information

General Information

Who May Attend?

Programs outlined in this catalogue are open to banking supervision staff from non-U.S. central banks and supervisory authorities.

Registration Procedures

We encourage you to apply online for the courses offered in this catalogue. To submit an application form online, you may access ITA's interactive catalogue at www.federalreserve.gov/bankinforeg/courses.htm and select a course. On the desired course description page, click "Apply Now", complete, and submit the application form using your official e-mail address. You will receive a confirmation number by e-mail to be used in all future correspondence. Completed applications will not be processed until we also receive an official, signed letter of endorsement from an officer of your institution. The letter may be faxed to +1-202-452-6417 or scanned and e-mailed to BSRInternationalTraining@frb.gov. Please mail the original to the address noted below. More information about our web-based electronic application system can be found at: www.federalreserve.gov/bankinforeg/ita/about_ita.htm.

For 2011, you may continue to register by mail. Please send a letter on official stationery to

Mr. Sarkis D. Yoghourtdjian
Assistant Director
Division of Banking Supervision and Regulation
Board of Governors of the Federal Reserve System
20th and C Streets NW - Mail Stop 1819
Attention: Course Registrar
Washington, DC 20551 U.S.A.

In the letter, please provide the course name and date, as well as the number of seats requested. Eight weeks prior to the start of the training program, we require each participant's full name, birth date, passport number, and country of passport issuance. To expedite the registration process, you may fax the letter to +1-202-452-6417 or e-mail a scanned copy to BSRInternationalTraining@frb.gov.

Security Procedures

Please note that the FRS has put in place new and enhanced security measures which require that each participant in a FRS program submit their *date of birth, passport number, and country of passport issuance* no later than **eight weeks** prior to the start of the program. **There will be no exceptions. Failure to provide the necessary information will result in forfeiture of the seat.**

Tuition

There are no tuition fees for FRS or FFIEC programs outlined in this catalogue. The Options Institute Program at the Chicago Board Options Exchange (CBOE) carries a US\$775 tuition fee per participant. Participants are requested to pay the tuition fee with a credit card directly to the CBOE on the first day of the program.

General Information

Lodging Information

In light of uncertainties involved with the more extensive travel arrangements required of those arriving from abroad, the FRS does not make lodging arrangements for participants attending programs in Washington, D.C. or elsewhere. **It will be up to the participants to arrange for their own accommodations.** For those invited to attend the joint International Monetary Fund/World Bank/Federal Reserve "Seminar for Senior Bank Supervisors from Emerging Economies" and the "Seminar on Policy Challenges for the Financial Sector" only, seminar organizers will secure blocks of rooms at select area hotels. It will be up to the participants to make their own reservations with these hotels and provide a credit card guarantee.

Pre-Course Materials

Pre-course materials (if any) for FRS, FFIEC, and other agency programs will be sent approximately six weeks prior to the class via Federal Express to the officer signing the registration request. Kindly let us know if you have not received your pre-course materials **three weeks** before a program begins.

Dress Code

Business casual attire is permitted for all programs offered in this catalogue, except for the joint IMF/World Bank/FRS seminars conducted in June and October, which require business attire. Tennis shoes, T-shirts, blue jeans, and shorts should not be worn.

Attendance Policy

Participants in FRS and FFIEC training programs are expected to be in attendance at each session of the program. Please notify an ITA section staff member if absences are unavoidable. Unexplained absences from a training session will be reported to the proper authorities.

Cancellation Policy

To cancel participation in a FRS or FFIEC training program, please send a letter to Mr. Sarkis Yoghourtdjian at the address below. The letter must be on official stationery and signed by an officer of your institution. **If participation is not cancelled and the participant does not report to the training facility on the first day of the program, new and enhanced security procedures require us to notify the proper authorities, including the U.S. visa issuing agency.**

Questions?

Should you have any questions, you may direct them to

Mr. Sarkis D. Yoghourtdjian
Assistant Director, *or*

Ms. Maribeth Seraj
Assistant Curriculum Analyst

Division of Banking Supervision and Regulation
Board of Governors of the Federal Reserve System
Washington, DC 20551
Fax: +1-202-452-6417
BSRInternationalTraining@frb.gov

General Information

Training Facilities in Washington, DC

The ITA section has the pleasure of welcoming participants in our Washington, DC-based courses to the FRS's training facility at 1850 K Street NW. Located in the heart of Washington's central business district, 1850 K Street is one of three buildings that make up International Square, together with 1825 and 1875 K Streets. The soaring marble lobby features a striking atrium fountain, retail stores, and a lower level food court. Metro's Farragut West subway station, serviced by the blue and orange metro lines, may be accessed through the lower level of the building.

International Square's food court includes eateries offering American, Italian, Asian, Greek, Mexican, Indian, and Cuban fast food selections. On-site retail facilities include a men's and women's hair salon, a jewelry store, a shoeshine kiosk, banks, an electronics store, and a currency exchange office.

Located on the fourth floor of the 1850 K Street building, the new classrooms are equipped with state-of-the-art technology.

Please note, smoking and the use of tobacco products are prohibited throughout the International Square complex.

Hotels near the Federal Reserve's Training Center in Washington, DC

For your reference and information, listed below are a number of hotels within close proximity to the FRS's training center at 1850 K Street NW, Washington, DC. You are free to make hotel reservations at these or other hotels. Since Washington, DC is a popular destination, *early* registration will ensure the best selection of hotel rooms and rates.

*Walking distance

**Taxi or 20–30 minute walk

*Club Quarters

839 17th Street NW
Washington, DC 20006
Tel: +1-212-575-0006
Fax: +1-212-391-5525
www.clubquarters.com

*The Quincy Hotel[†]

1823 L Street NW
Washington, DC 20036
Tel: +1-202-223-4320
Fax: +1-202-293-4977
www.thequincy.com

*Hotel Lombardy

2019 Pennsylvania Avenue NW
Washington, DC 20006
Tel: +1-202-828-2600
Fax: +1-202-872-0503
www.hotellombardy.com

*One Washington Circle[†]

1 Washington Circle NW
Washington, DC 20037
Tel: +1-202-872-1680
Fax: +1-202-887-4989
www.thecirclehotel.com

[†]Denotes hotels belonging to the Potomac Hospitality Services (PHS) Group. For more information about PHS hotels located near the Federal Reserve's training facilities in Washington, DC, please see their interactive webpage at www.thequincy.com/frbvisitors.

General Information

*AKA White House
1710 H Street NW
Washington, DC 20006
Tel: +1-202-904-2500
Fax: +1-202-904-2525
www.stayaka.com

**Washington Marriott
1221 22nd Street NW
Washington, DC 20037
Tel: +1-202-872-1500
Fax: +1-202-872-1424
www.marriott.com

**Washington Plaza
10 Thomas Circle NW
Washington, DC 20005
Tel: +1-202-842-1300
Fax: +1-202-371-9602
www.washingtonplazahotel.com

**Double Tree Guest Suites Hotel
801 New Hampshire Avenue NW
Washington, DC 20037
Tel: +1-202-785-2000
Fax: +1-202-785-9485
www.doubletree.com

**The Dupont Hotel
1500 New Hampshire Avenue NW
Washington, DC 20036
Tel: +1-202-483-6000
Fax: +1-202-328-3265
www.doylecollection.com

**State Plaza Hotel
2117 E Street NW
Washington, DC 20037
Tel: +1-202-861-8200
Fax: +1-202-659-8601
www.stateplaza.com

**Melrose Hotel
2430 Pennsylvania Avenue NW
Washington, DC 20037
Tel: +1-202-701-4886
Fax: +1-202-955-5765
www.melrosehotel.com

**Best Western Georgetown Hotel & Suites
1121 New Hampshire Avenue NW
Washington, DC 20037
Tel: +1-202-457-0565
Fax: +1-202-331-9421
www.bestwestern.com

** The Hamilton Crowne Plaza Hotel
1001 14th Street NW
Washington, DC 20005
Tel: +1-202-682-0111
Fax: +1-202-682-3801
www.ichotelsgroup.com

**Washington Suites Georgetown
2500 Pennsylvania Avenue
Washington, DC 20037
Tel: +1-202-333-8060
Fax: +1-202-338-3818
www.washingtonsuiteshotel.com

**River Inn⁺
924 25th Street NW
Washington, DC 20037
Tel: +1-202-337-7600
Fax: +1-202-337-6520
www.theriverinn.com

General Information

Hotels in Virginia

These hotels are included for consideration since they typically charge less than hotels in DC, although a 15 or 20 minute metro ride (approximately U.S.\$5.00 round trip) is necessary to arrive at the Federal Reserve's training center at 1850 K Street NW, Washington, DC.

Inns of Virginia Arlington
3335 Lee Highway
Arlington, VA 22201
Tel: +1-703-524-9800
Fax: +1-703-524-9800
www.innsfva.com

Best Western Rosslyn/Iwo Jima
1501 Arlington Boulevard
Arlington, VA 22209
Tel: +1-703-524-5000
Fax: +1-703-522-5484
www.iwojimarosslynhotel.com

Americana Hotel
1400 Jefferson Davis Highway
Arlington, VA 22202
Tel: +1-703-979-3772
Fax: +1-703-979-0547
www.americanahotel.com

General Information

The Federal Reserve Bank of Chicago will host the following classes:

- **Market Risk Analysis Seminar** July 25–29
- **S.T.R.E.A.M./Technology Lab Courses** (see pages 5–6, 53–67)

The Federal Reserve Bank of Chicago is located at
230 South LaSalle Street, Chicago, Illinois

Hotels near the Federal Reserve Bank of Chicago

Listed below are a number of hotels within close proximity to the Federal Reserve Bank of Chicago. You are free to make hotel reservations at these or other hotels.

*Walking distance

**Taxi or 20–30 minute walk

*Palmer House Hilton Hotel
17 E. Monroe Street
Chicago, IL 60603
Tel: +1-312-726-7500
Fax: +1-312-917-1707
www.hilton.com

*Club Quarters Adams
111 W. Adams Street
Chicago, IL 60603
Tel: +1-312-214-6400
Fax: +1-312-601-3300
www.clubquarters.info

*Club Quarters Wacker at Michigan
75 E. Wacker Drive
Chicago, IL 60601
Tel: +1-312-357-6400
Fax: +1-312-357-9900
www.clubquarters.info

*The W Chicago City Centre
172 W. Adams Street
Chicago, IL 60603
Tel: +1-312-332-1200
Fax: +1-312-332-5909
www.starwoodhotels.com

**Sheraton Chicago Hotel & Towers
301 East North Water Street
Chicago, IL 60611
Tel: +1-312-464-1000
Fax: +1-312-464-9140
www.sheratonchicago.com

**Hyatt Regency
151 E. Wacker Drive
Chicago, IL 60601
Tel: +1-312-565-1234
Fax: +1-312-239-4414
www.chicagoregency.hyatt.com

**Hilton Chicago
720 South Michigan Avenue
Chicago, IL 60605
Tel: +1-312-922-4400
Fax: +1-312-922-5240
www.hilton.com

**Omni Chicago
676 N. Michigan Avenue
Chicago, IL 60611
Tel: +1-312-944-6664
Fax: +1-312-266-3015
www.omnihotels.com

General Information

****Chicago Marriott Downtown**
540 North Michigan Avenue
Chicago, IL 60611
Tel: +1-312-836-0100
Fax: +1-312-836-6139
www.marriott.com

****Sofitel Chicago**
20 E. Chestnut Street
Chicago, IL 60611
Tel: +1-312-324-4000
Fax: +1-312-324-4026
www.sofitel.com

****Residence Inn Chicago**
Downtown/Magnificent Mile
201 E. Walton Place
Chicago, IL 60611
Tel: +1-312-943-9800
Fax: +1-312-943-8579
www.marriott.com

General Information

The Federal Reserve Bank of San Francisco will host the following classes:

- **Real Estate Lending Seminar** September 19–23

The Federal Reserve Bank of San Francisco is located at
101 Market Street, San Francisco, California

Hotels near the Federal Reserve Bank of San Francisco

Listed below are a number of hotels within close proximity to the Federal Reserve Bank of San Francisco. You are free to make hotel reservations at these or other hotels.

*Walking distance

**Taxi /Cablecar or 20–30 minute walk

*Hyatt Regency
5 Embarcadero Center
San Francisco, CA 94111
Tel: +1-415-788-1234
Fax: +1-415-398-2567
www.sanfranciscoregency.hyatt.com

*Hotel Griffon
155 Steuart Street
San Francisco, CA 94105
Tel: +1-415-495-2100
Fax: +1-415-495-3522
www.hotelgriffon.com

*Harbor Court Hotel
165 Steuart Street
San Francisco, CA 94105
Tel: +1-415-882-1300
Fax: +1-415-882-1313
www.harborcourthotel.com

*Club Quarters
424 Clay Street
San Francisco, CA 94102
Tel: +1-415-392-7400
Fax: +1-415-392-7300
www.clubquarters.info

**Hotel Triton
342 Grant Avenue
San Francisco, CA 94105
Tel: +1-415-394-0500
Fax: +1-415-394-0555
www.hoteltriton.com

**Grand Hyatt
345 Stockton Street
San Francisco, CA 94105
Tel: +1-415-398-1234
Fax: +1-415-391-1780
www.grandsanfrancisco.hyatt.com

**Hotel Nikko
222 Mason Street
San Francisco, CA 94102
Tel: +1-415-394-1111
Fax: +1-415-394-1106
www.hotelnikkosf.com

**The Prescott Hotel
545 Post Street
San Francisco, CA 94102
Tel: +1-415-563-0303
Fax: +1-415-563-6831
www.prescotthotel.com

General Information

Duration of Programs

Federal Reserve System Courses

STaRT Modules (Online Self Study)	Variable
Bank Fraud Detection Workshop	1 week
Consolidated Supervision and Risk Integration Seminar	1 week
Bank Analysis and Examination School	1 week
Credit Risk Analysis School	1 week
Advanced Credit Risk Measurement and Management Seminar	1 week
Risk Management and Internal Controls Seminar	1 week
Market Risk Analysis Seminar	1 week
Bank Management School	8 days
Principles of Asset/Liability Management Seminar	1 week
Electronic Banking and Technology Risk Supervision Seminar	4 days
Operational Risk Assessment Seminar	1 week
Anti-Money Laundering Examination Seminar	1 week
Joint Banque de France International Banking and Finance Institute/Federal Reserve System – "Risk Focused Supervision and Risk Assessment Seminar"	1 week
Joint International Monetary Fund/World Bank/Federal Reserve Board – "Seminar on Policy Challenges for the Financial Sector"	3 days
Joint International Monetary Fund/World Bank/Federal Reserve System – "Seminar for Senior Bank Supervisors from Emerging Economies"	2 weeks
Principles of Insurance Risk Supervision	1 week
Real Estate Lending Seminar	1 week

S.T.R.E.A.M. Technology Lab Courses - Federal Reserve Bank of Chicago

Information Systems Vulnerability Management	1 week
Operating Systems	1 week
Network Security	1 week
IT Supervisory Themes and Emerging Issues	1 week

Federal Financial Institutions Examination Council (FFIEC) Courses

Financial Crimes Seminar	3½ days
International Banking School	1 week
Payment Systems Risk Conference	3½ days

Other Agency Courses

The Options Institute (CBOE)	3 days
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Schedules

Schedule - Federal Reserve System

<u>Program</u>	<u>From</u>	<u>To</u>
Financial Crimes Seminar (Arlington, VA)	March 14	March 17
Real Estate Lending Seminar (Washington, DC)	April 4	April 8
International Banking School (Arlington, VA)	April 4	April 8
Principles of Insurance Risk Supervision (Washington, DC)	May 2	May 6
Bank Fraud Detection Workshop (Washington, DC)	May 9	May 13
Joint International Monetary Fund/World Bank/Federal Reserve Board¹ – "Seminar on Policy Challenges for the Financial Sector" (Washington, DC)	June 1	June 3
Consolidated Supervision and Risk Integration Seminar (Washington, DC)	June 13	June 17
Bank Analysis and Examination School (Washington, DC)	June 20	June 24
Information Systems Vulnerability Management (Chicago, IL)	June 20	June 24
Credit Risk Analysis School (Washington, DC)	June 27	July 1
Joint Banque de France International Banking and Finance Institute/Federal Reserve System – "Risk-Focused Supervision and Risk Assessment Seminar" (Paris, France)	June 27	July 1
Advanced Credit Risk Measurement and Management Seminar (Washington, DC)	July 11	July 15
Risk Management and Internal Controls Seminar (Washington, DC)	July 18	July 22
Market Risk Analysis Seminar (Chicago, IL)	July 25	July 29
Operating Systems (Chicago, IL)	August 1	August 5
Bank Management School (Washington, DC)	August 1	August 10
Network Security (Chicago, IL)	August 8	August 12
Principles of Asset/Liability Management Seminar (Washington, DC)	August 15	August 19
Electronic Banking and Technology Risk Supervision Seminar (Washington, DC)	August 22	August 25
Payment Systems Risk Conference (Arlington, VA)	August 22	August 25
Financial Crimes Seminar (Arlington, VA)	August 22	August 25
Operational Risk Assessment Seminar (Washington, DC)	August 29	September 2

Note: Schools and programs designed for and offered exclusively to participants from non-U.S. central banks and non-U.S. supervisory authorities are in bold.

¹Participation in this program is by invitation

Schedule - Federal Reserve System

<u>Program</u>	<u>From</u>	<u>To</u>
Anti-Money Laundering Examination Seminar (Washington, DC)	September 12	September 16
IT Supervisory Themes and Emerging Topics (Chicago, IL)	September 12	September 16
Real Estate Lending Seminar (San Francisco, CA)	September 19	September 23
The Options Institute (Chicago, IL)	September 26	September 30
Joint International Monetary Fund/World Bank/Federal Reserve System¹– "Seminar for Senior Bank Supervisors from Emerging Economies" (Washington, DC)	October 17	October 28

Schedule - S.T.R.E.A.M. Technology Lab - Federal Reserve Bank of Chicago

<u>Program</u>	<u>From</u>	<u>To</u>
• Information Systems Vulnerability Management	June 20	June 24
• Operating Systems	August 1	August 5
• Network Security	August 8	August 12
• IT Supervisory Themes and Emerging Issues	September 12	September 16

NOTE: All S.T.R.E.A.M. Technology Lab schools are held at the
Federal Reserve Bank of Chicago, 230 South LaSalle Street, Chicago, Illinois.

Hotels near the Federal Reserve Bank of Chicago

Listed below are a number of hotels within close proximity to the Federal Reserve Bank of Chicago. You are free to make hotel reservations at these or other hotels.

*Walking distance

**Taxi or 20–30 minute walk

***Palmer House Hilton Hotel**

17 E. Monroe Street
Chicago, IL 60603
Tel: +1-312-726-7500
Fax: +1-312-917-1707
www.hilton.com

***Club Quarters Adams**

111 W. Adams Street
Chicago, IL 60603
Tel: +1-312-214-6400
Fax: +1-312-601-3300
www.clubquarters.info

***Club Quarters Wacker at Michigan**

75 E. Wacker Drive
Chicago, IL 60601
Tel: +1-312-357-6400
Fax: +1-312-357-9900
www.clubquarters.info

***The W Chicago City Centre**

172 W. Adams Street
Chicago, IL 60603
Tel: +1-312-332-1200
Fax: +1-312-917-5771
www.starwoodhotels.com

****Sheraton Chicago Hotel & Towers**

301 East North Water Street
Chicago, IL 60611
Tel: +1-312-464-1000
Fax: +1-312-464-9140
www.sheratonchicago.com

****Hyatt Regency**

151 E. Wacker Drive
Chicago, IL 60601
Tel: +1-312-565-1234
Fax: +1-312-239-4414
www.chicagoregency.hyatt.com

Schedule - S.T.R.E.A.M. Technology Lab - Federal Reserve Bank of Chicago

****Hilton Chicago**
720 South Michigan Avenue
Chicago, IL 60605
Tel: +1-312-922-4400
Fax: +1-312-922-5240
www.hilton.com

****Omni Chicago**
676 N. Michigan Avenue
Chicago, IL 60611
Tel: +1-312-944-6664
Fax: +1-312-266-3015
www.omnihotels.com

****Chicago Marriott Downtown**
540 North Michigan Avenue
Chicago, IL 60611
Tel: +1-312-836-0100
Fax: +1-312-836-6139
www.marriott.com

****Sofitel Chicago**
20 E. Chestnut Street
Chicago, IL 60611
Tel: +1-312-324-4000
Fax: +1-312-324-4026
www.sofitel.com

****Residence Inn Chicago**
Downtown/Magnificent Mile
201 East Walton Place
Chicago, IL 60611
Tel: +1-312-943-9800
Fax: +1-312-943-8579
www.marriott.com

Schedule - Federal Financial Institutions Examination Council (FFIEC)

<u>Program</u>	<u>From</u>	<u>To</u>
• Financial Crimes Seminar	March 14 August 22	March 17 August 25
• International Banking School	April 4	April 8
• Payment Systems Risk Conference	August 22	August 25

NOTE: All FFIEC courses are held at the
L. William Seidman Center at 3501 Fairfax Drive, Arlington, Virginia
 (a suburb of Washington, DC).

Hotels near the FFIEC’s training facility in Arlington, Virginia

Listed below are a number of hotels within close proximity to FFIEC’s training facility in Arlington, Virginia. You are free to make hotel reservations at these or other hotels.

*Walking distance

**Taxi or 20–30 minute walk

*FDIC Training Center Lodging Facility

1001 N. Monroe Street

Arlington, VA 22226

Tel: +1-703-516-4630

Fax: +1-703-516-5476

**The Virginian Suites

1500 Arlington Boulevard

Arlington, VA 22209

Tel: +1-703-522-9600

Fax: +1-703-525-4462

www.virginiansuites.com

*Hilton Arlington Towers

950 North Stafford Street

Arlington, VA 22203

Tel: +1-703-528-6000

Fax: +1-703-812-5127

www.hilton.com

**Best Western Rosslyn/Iwo Jima

1501 Arlington Boulevard

Arlington, VA 22209

Tel: +1-703-524-5000

Fax: +1-703-522-5484

www.iwojimarosslynhotel.com

**Holiday Inn Arlington

4610 North Fairfax Drive

Arlington, VA 22203

Tel: +1-703-243-9800

Fax: +1-703-527-2677

www.holidayinn.com

Federal Reserve System Center for Online Learning

Supervision Training and Reference Tool (STaRT) Modules

The FRS is pleased to make available to our colleagues from other central banks and supervisory authorities an online training tool for bank examiners called the Supervision Training and Reference Tool, or STaRT.

Type of Participant Targeted

STaRT was originally designed for FRS examination staff, and it contains a number of references to U.S.-specific regulations and terminology. However, STaRT is now available and appropriate for use by other bank regulators who wish to familiarize themselves with universal banking concepts, banking procedures, examination practices and goals, and specific subject matter areas.

Prerequisites

None.

Course Overview

STaRT contains 35 main learning modules (e.g., Anti-Money Laundering, Internal/External Audit, Wire Transfer, etc). Each module consists of a set of individual lessons, practice case studies covering key concepts, potential red flags and the controls used to detect or address those flags, resource materials, typical exam goals, and a self-check to review information learned from the lesson.

Course Objectives

STaRT was developed by subject-matter experts across the FRS to assist supervision staff. STaRT has two primary purposes: (1) to provide general training to examiners on a variety of relevant topics and (2) to support examiners and other supervision staff as an on-the-job reference tool.

How to Access the STaRT Modules

You may access the STaRT Modules by visiting the public website of the Federal Reserve Board's International Training and Technical Assistance section at www.federalreserve.gov/bankinforeg/about_ita.htm. Select "Self-study tools," which will provide you with a direct link to the STaRT Modules.

Supervision Training and Reference Tool (STaRT) Modules

Curriculum Overview

1	First-Time User
2	Allowance for Loan and Lease Losses
3	Analyzing Agricultural Credits
4	Asset Liability Management
5	BSA/AML
6	Bankruptcy
7	BHC Regulations
8	Borrowings
9	Capital Issuance
10	Cash and Due From Correspondent Banks
11	Commercial Loan Documentation
12	Deposits
13	Discount Window
14	Federal Reserve Act
15	Fixed Assets
16	Information Technology
17	Internal/External Audit
18	Investment Portfolio Management
19	Kiting
20	Loan Policy and Administration
21	Miscellaneous Other Assets
22	Mortgage Securities
23	Off-Balance-Sheet Items
24	Official Checks
25	Other Real Estate
26	Payment Systems Risk
27	Proof Function
28	Real Estate Fundamentals
29	Regulation O
30	Regulations T, U, & X
31	Regulation W
32	Right to Financial Privacy
33	Troubled Debt Restructuring
34	Trust Fundamentals
35	Wire Transfer

Federal Reserve System

Course Descriptions

Bank Fraud Detection Workshop

Type of Participant Targeted

This introductory program is designed for examiners wishing to acquire knowledge or to refresh their examination skills of basic fraud concepts, fraud detection methods, supervisory actions, interviewing techniques, funds tracing, and the impact of fraud on a bank's risk profile.

Prerequisites

Participants should have a minimum of 18 months of bank examination experience. This program has a pre-course reading assignment consisting of an 11-page hypothetical exam scope memo.

Course Overview

This 4½-day program will introduce participants to basic fraud concepts and walk them through the steps necessary to determine the true nature of various transactions and accounts. Using a combination of case studies, presentations, audios, videos, and hands-on exercises, the course seeks to enhance participants' fraud knowledge, analytical proficiency, examination skills, and interviewing techniques.

The entire workshop is structured around a case study of a one-week, on-site examination of a hypothetical bank in which loan fraud is detected. Participants play the role of an on-site examination team and are given the opportunity to compare their analysis and findings with those of actors shown in the classroom videos portraying the examiners of the actual bank that was used as the basis for the case study. The videos also introduce new information and provide the outcome for certain actions taken by the examiners during the on-site examination.

Course Objectives

At the end of the course, participants will, at a minimum, be able to

- Describe the basic types of fraud
- Identify fraudulent activities
- Research transactions and trace funds
- Identify the warning signs of fraud
- Identify and manage documents
- Apply interview techniques
- Explain the effects of fraud on a bank's risk profile
- Discuss and understand supervisory actions

Class Size

The minimum number of participants is 16 and the maximum is 25.

Bank Fraud Detection Workshop

Curriculum Overview

Subject	Approximate Class Hours
Introduction / basic fraud concepts	7.00
Funds tracing	5.00
Identification of the warning signs of fraud	7.00
Expanded examination procedures / interviewing techniques	7.00
Supervisory actions / the impact of fraud on a bank's risk profile	3.00
Corporate governance / discussion of current fraud cases and topics	2.00
TOTAL	31.00

Consolidated Supervision and Risk Integration Seminar

Type of Participant Targeted

The Consolidated Supervision and Risk Integration Seminar is designed for participants who are familiar with risk-focused supervision and have five or more years of supervision and regulation experience. The curriculum provides a conceptual framework and practical examples of supervisory tools and techniques that help a supervisory team “roll-up” various risk exposures and evaluate a banking organization on a consolidated basis. The seminar provides supervisors with (1) practical bank examination techniques to evaluate enterprise-risk management and (2) exposure to analyzing the financial strength of a consolidated organization.

Prerequisites

This seminar does not have a pre-course assignment. However, participants are strongly encouraged to familiarize themselves with the case study materials prior to the seminar.

Course Overview

This 4½-day seminar is an interactive workshop that includes lectures, discussion sessions, and small group case study work to provide participants with an overview of consolidated supervision analysis. Lectures will address the review of enterprise-risk management of important risk categories. Group work will take the form of a case study and give participants an opportunity to practice and reinforce the techniques discussed during the lectures. The curriculum recognizes that each participant arrives with unique risk-focused supervision experiences and examination skills. The seminar is intended to build on these experiences and skills to integrate various risk exposures into a consolidated assessment of a large banking organization. Participants will benefit by learning from the application of “real world” experience to a stylized case study.

Course Objectives

Upon completion of this 4½-day seminar, the participant will, at a minimum, be able to

- Recognize and analyze desirable corporate governance and risk control functions
- Recognize risk identification and reporting mechanisms, and build an organization-wide risk assessment
- Incorporate stress testing results plus capital and liquidity adequacy and planning procedures into an organization-wide risk assessment
- Integrate risk assessments of individual risk disciplines into a consolidated risk assessment of a large banking organization

Consolidated Supervision and Risk Integration Seminar

Curriculum Overview

Subject	Approximate Class Days
Environmental Assessment	.25
Consolidated Supervision and Risk Integration	.50
Consolidated Accounting	.25
Corporate Governance and Enterprise-Risk Management	.50
Enterprise-Risk Management	1.50
Consolidated Entity Evaluation	1.00
Risk Integration and Consolidated Evaluation	.50
TOTALS	4.50

Class Size

The optimum class size is approximately 35 participants.

Bank Analysis and Examination School

Type of Participant Targeted

Bank Analysis and Examination School is designed for individuals with approximately 12 to 18 months of relevant experience. Attendees are typically involved in risk-focused supervision, risk management processes, bank examination, loan classification, and surveillance.

Prerequisites

None.

Course Overview

This is an intensive course based on risk management and analytical concepts that apply to all areas of supervision: examinations, inspections, surveillance, and applications. The program emphasizes risk-focused examination and its products as well as common analytical and supervisory themes and techniques.

Course Objectives

Upon completion of this one-week course, the participant will, at a minimum, be able to

- Discuss and apply risk-focused examination techniques to a bank
- Analyze the financial condition of a bank using the Uniform Bank Performance Report (UBPR)
- Use information from a bank examination report and a UBPR to prepare and present an analysis of a bank's condition
- Understand the CAMELS bank rating system
- Provide an introductory analysis and classification of a loan
- Understand various regulatory and financial topics, including principles of internal controls, information systems, and supervisory strategies

Curriculum Overview

Subject	Approximate Class Days	Approximate Homework Hours
Risk Management and Risk-Focused Supervision	1.00	1–2
Bank Financial Analysis	2.00	6–7
Credit Analysis and Credit Classifications	1.00	2–3
Final Examination & Group Report	1.00	3–4
TOTALS	5.00	12–16

Credit Risk Analysis School

Type of Participant Targeted

Credit Risk Analysis School is a course designed for individuals with one to three years of supervision and regulation experience. The curriculum provides an introductory learning experience designed to provide a basic set of credit analysis and examination skills that are applicable to the asset quality review function. The typical student will (1) have bank examination experience, (2) have been introduced to loan analysis, and (3) have participated in the examination of loan portfolios during the examinations or inspections of several financial institutions.

Prerequisites

The pre-course assignments consist of a self-instruction module, reading assignments, and an accounting quiz. The pre-course assignments will take approximately 40 hours to complete. The accounting quiz is collected on the first day of class and counts towards the final course grade.

Course Overview

This one-week school is composed of a workshop on basic financial statement analysis and cash flow analysis, loan underwriting case studies, and loan grading exercises. Homework assignments will take approximately eight hours.

The curriculum recognizes that, while the fundamentals of extending credit are similar for all types of lending activities, their application may differ to meet the needs of specific credit transactions. This course gives the participants a systematic strategy for analyzing credits. Participants will benefit by learning analytical skills and applying those skills to actual loan case studies. It is expected that significant additional on-the-job training, experience, and academic opportunities will be necessary to develop a graduate of the Credit Risk Analysis School into a fully competent loan examiner.

Course Objectives

Upon completion of this one-week course, the participant will, at a minimum, be able to

- Identify and analyze the borrowing causes for a loan and determine the proper loan structure and pricing for the risk
- Analyze both business and personal income statements and balance sheets for strengths and weaknesses, and cash flow for loan repayment ability
- Analyze loan documentation for content, completeness, and efficiency
- Analyze the credit risks in personal and business loans of moderate complexity
- Classify loans according to regulatory classification definitions
- Identify the factors to consider when managing a problem loan

Advanced Credit Risk Measurement and Management Seminar

Type of Participant Targeted

The Advanced Credit Risk Measurement and Management Seminar is a course designed for individuals with five or more years of experience with credit risk management. The purpose of the seminar is to provide participants with an overview of advanced credit risk measurement and management techniques from an internal management and supervisory perspective. The seminar provides supervisors with an introduction to the management and examination techniques used to evaluate the effectiveness of advanced risk measurement and management systems.

Prerequisites

None.

Course Overview

This one-week seminar consists of a series of lectures and group exercises intended to provide participants with an overview of the advanced risk measurement and management systems banks employ to monitor credit risk. Lectures will address the estimation and calculation of the inputs into advanced credit risk measurement systems such as probability of default and loss-given default, portfolio management techniques, and the governance necessary to employ these advanced systems. Lectures will also focus on basic methods supervisors can employ to understand and evaluate the effectiveness of banks' implementation of these advanced credit risk management systems. Group work will take the form of a case study and give participants an opportunity to practice and reinforce the techniques discussed during the lectures.

Course Objectives

At the end of the seminar, participants should have an understanding of the following:

- The fundamental building blocks an institution must have in place before it begins developing more advanced models and techniques
- What type and quality of data a bank needs to have
- What each of the advanced credit risk metrics are and how they are derived
- Basics of how to examine a bank's models
- Fundamentals of modern portfolio theory and its practical implementation
- Basic portfolio management exam techniques
- What to expect from a board of directors
- What to expect from a senior management team
- The roles of internal and external audit and the role of loan review, including how to examine these functions
- How advanced credit metrics can be used

Advanced Credit Risk Measurement and Management Seminar

Curriculum Overview

Subject	Approximate Class Days
Fundamentals of credit risk management	.50
Fundamentals of credit data and data governance	.25
Advanced credit risk measurement metrics	1.00
Portfolio management	1.00
Governance of advanced risk measurement and management systems	1.00
Uses for advanced risk measurement and management systems	.25
TOTAL	4.00

Risk Management and Internal Controls Seminar

Type of Participant Targeted

This program is for all examiners with more than six months of field examination experience.

Prerequisites

None.

Course Overview

The course is designed to provide examiners with an understanding of the importance of internal controls and risk management in banks, and how the review of internal controls and risk management fits into the overall bank rating assessment. The course is also intended to give examiners guidance on assessing the risk management and internal control environment in key functions such as credit administration and investments, including trading operations, deposits, and payment systems risk.

Course Objectives

Upon completion of this 4½-day seminar, the participant will have

- Gained an overall understanding of key risk management and internal control concepts
- Understood the role of internal and external audits and the internal control environment in a bank
- Become familiar with the role of information technology in banking institutions and the general risk factors and control areas
- Developed examination skills for assessing the risk management and internal control environment of banks in such areas as lending function management and operating areas (funds transfer, trading and investments, trade finance/letters of credit, etc.), resulting in the assignment of an internal control rating
- Developed the ability to apply risk management and internal control examination concepts consistently among banks

Market Risk Analysis Seminar

Type of Participant Targeted

Market Risk Analysis Seminar (MRAS) is a course designed for individuals with one to three years of supervision and regulation experience. The curriculum is designed to provide the basic set of examination skills needed to understand and provide supervisory oversight of a financial institution's trading book. The typical participant will have experience with (1) bank examinations, (2) the analysis of financial institutions, and (3) the examination of investment portfolios and treasury activities during the examination or inspection of financial institutions.

Prerequisites

Participants should be familiar with financial derivatives (futures, forwards, swaps, and options) and financial math. They should also have a basic understanding of trading activities. Participants will receive a pre-seminar reading assignment, "Review of Basic Math and Financial Concepts," to determine their familiarity with the concepts covered.

Course Overview

MRAS provides an overview of trading market risk management, including the products used to manage market risk in the trading book, counterparty credit risk management, and the value-at-risk (VaR) measurement method. The course provides participants with a systematic strategy for analyzing market risk in the trading book. The course is a combination of lectures on technical risk management topics and short case studies that apply the concepts studied. Fully qualified participants will not require any pre-course study, although background papers on various subjects are available if participants wish to review basic concepts.

Course Objectives

At the end of this one-week seminar, the participant will, at a minimum, be able to

- Describe the elements of sound internal controls and risk management systems for a bank's trading book
- Discuss investment and derivative products and understand the components of market risk that can be controlled through the use of on- and off-balance-sheet instruments
- Describe market organization, regulation, and emerging issues in the derivatives market
- Discuss the significance of credit risk management for trading activities
- Describe the VaR method as it relates to trading activities and portfolio management
- Discuss the tools commonly employed to identify, measure, monitor, and control market risk
- Discuss the incentives for securitization, the major types of securitized assets, and the risks and regulatory considerations when a bank begins securitization activities
- Describe the basic accounting concepts and methods for derivative instruments from an international accounting standards perspective

Bank Management School

Type of Participant Targeted

Bank Management (BankMan) is intended for participants with two to three years of relevant experience.

Prerequisites

None.

Course Overview

BankMan is designed to enhance the analytical, decisionmaking, and leadership skills of the participant, with an emphasis on the interdependence of various specialties in the management of a bank. The material is presented from the perspective of bank management, rather than from a regulator's. It is the only school that does so, thereby providing the participant with a unique and necessary perspective.

A key element of the school is the use of a computer-based model to simulate a banking environment. The participant, as part of a team, operates a simulated bank in competition with other teams. Case studies, loan exercises, and industry speakers are also used as a means for meeting the course objectives.

BankMan will (1) broaden the participant's understanding of the specific banking functions, (2) provide an overview of the interrelated operations of a banking organization, (3) enhance the participant's appreciation for the complex issues senior bank managers face, (4) enhance the participant's analytical and decisionmaking skills, and (5) develop team-building skills. Strengthening these areas will enable the participant to contribute more effectively to the goal of maintaining a safe and sound banking system.

Course Objectives

Upon completion of this 8-day course, the participant will, at a minimum, be able to

- Categorize and evaluate specific banking functions (e.g., strategic planning, administrative policies, marketing, loans, securities, asset/liability management, funding, and operations)
- Assess the integrated operations of a banking organization, including the activities of trust, information technology, and consumer-related issues
- Determine the effects of management decisions on capital, earnings, and the organization's stock price
- Measure the effects of economic conditions and competition on a bank's earnings and competitive abilities
- Understand the importance of effective internal controls and information systems
- Assess and manage the various risks that bank management faces
- Judge the influence of funding policies on the composition and volatility of an institution's liability structure, as well as the relationships of the policies to institutional liquidity
- Propose means of improving the quality of individual loans and, ultimately, the loan portfolio
- Determine how to maximize profits and shareholder value from a banker's point of view, while operating under stringent regulatory guidelines
- Support the importance of interpersonal skills in the development of a strong management team

Bank Management School

Curriculum Overview

Subject	Approximate Class Hours	Approximate Homework Hours
Bank simulation activities (includes policy development, internal controls exercise, and concluding shareholders' meeting)	20.50	15.00
Loan discussion	7.00	2.00
Integrated supervision case study	4.50	1.00
Banking and related topics		
1. Industry speakers (team building, strategic planning, investment strategies, marketing strategies, asset/liability management, mergers and acquisitions, banker's view of economics, legal issues in lending, and loan administration)	18.00	—
2. Instructor presentations (managing risk, capital markets overview, funding strategies, aspects of good policies, and course overview)	4.50	—
Test and review	2.50	2.00
TOTALS	57.00	20.00

Learning Objectives

Upon completion of each section, the participant will, at a minimum, be able to demonstrate the following skills:

Bank simulation activities

- Determine the sometimes competing responsibilities of a bank manager
- Interpret the effects of management decisions in one area of the bank's operations on other areas of the bank
- Measure the effects of competition on bank performance
- Assess the ingredients for the successful operation of a bank
- Determine how to operate a bank profitably in a regulated environment
- Design policies that distinguish the bank from its competitors and contribute to its financial success
- Evaluate the importance of effective internal controls and propose responses to deficiencies in the bank
- Appraise the value of interpersonal skills in the effective functioning of a management team

Loan discussion

- Rate the quality of a loan
- Devise an action plan to correct the deficiencies in a weak loan
- Justify a banker's concerns in defending a weak loan

Bank Management School

Integrated supervision case study

- Determine whether to acquire a financial institution after considering relevant safety and soundness, trust, information technology, and consumer affairs issues
- Measure the relative merits of financial versus non-financial considerations in an acquisition decision
- Support management decisions with sound reasons that support the best interests of the bank

Banking and related topics

- Contrast a banker's perspective of the various functional areas of banking to a regulator's viewpoint
- Determine the strategic and operational characteristics of a high-performance bank
- Conclude how to manage a successful bank within the constraints of industry regulation

Test and review

- Test comprehension of the material presented during class
- Interpret how well the participant has assimilated a banker's perspective of the issues related to managing a bank

Class Size

Optimum class size is 40 to 50 participants, which allows four to five members for each bank simulation team, organized into two communities of five teams each. However, four teams per community can be accommodated, making a class size of as few as 32 feasible. A class having fewer than 32 participants is generally not desirable.

Instructors

The instructors for this course are experienced examiners who have a solid familiarity with the operations of a commercial bank. Among the five instructors for each class, at least one has sufficient computer expertise to run and troubleshoot the computer simulation exercise. In addition, one instructor has the capital markets expertise that is needed to facilitate related decisions in the simulation exercise. Finally, the lead instructor is well acquainted with every aspect of the course and has effective leadership skills.

Principles of Asset/Liability Management Seminar

Type of Participant Targeted

The Principles of Asset/Liability Management (PALM) Seminar is designed for safety and soundness bank examiners. It should be taken in examiners' careers when they begin to assess and evaluate asset/liability management (ALM) activities and the market-risk sensitivity of financial institutions as a part of their routine job function.

Prerequisites

Participants should have a general understanding of intermediate financial concepts—similar to that achieved in junior or senior level economics and finance classes. This background should include familiarity with futures, forwards, swaps, and options; duration; and intermediate balance sheet analysis. Participants are encouraged to check their proficiency by reviewing the background papers provided as supplementary course materials. Also suggested is a review of the STaRT Asset Liability Management Module (see pages 11–12).

Course Overview

PALM provides an in-depth exposure to ALM, concepts, and methodologies as they apply to a financial institution's banking book—non-trading assets and liabilities. (Trading assets are addressed in a companion class, the Market Risk Analysis Seminar.) The materials covered in PALM will enable participants to identify and draw conclusions about interest rate, investment, and liquidity-risk issues they will encounter while examining financial institutions. The course contains a case study based on an intermediate-sized U.S. commercial bank. The case study is used to illustrate and reinforce the balance sheet ALM concepts presented in the lectures. This 4½-day course has no pre-course work, although background papers on various subjects are available.

Course Objectives

This program is designed to give participants a broad overview of the basic principles of ALM, including

- Interest-rate risk
- Investment portfolio management
- Liquidity risk
- Balance sheet hedging
- ALM model risk

The class will also provide participants with a basic understanding of

- How financial markets determine interest rates
- How changes in interest rates can affect the risk posture and profitability of financial institutions
- What tools are available to measure an institution's interest-rate risk and liquidity exposures
- Why and how institutions use certain products to manage their interest-rate risk and liquidity exposures

Principles of Asset/Liability Management Seminar

Class Size

The minimum number of participants is 16 and the maximum is 30.

Electronic Banking and Technology Risk Supervision Seminar

Type of Participant Targeted

The Electronic Banking and Technology Risk Supervision Seminar is an introductory course and is designed for non-IT examiners.

Prerequisites

None.

Course Overview

The goal of this 4-day seminar is to provide training in information technology and electronic banking supervision.

Course Objectives

- Recognize elemental concepts of bank technology and architecture
- Identify business and supervision risks related to the financial institution's application of information technology and electronic banking
- Assess the impact of identified risks on the organization's operations
- Discuss examination results and concerns with the financial institution's management and prepare a written summary for inclusion in the integrated safety and soundness report
- Analyze and assess the impact of the risks and exposures associated with electronic banking and make relevant control recommendations to the financial institution's management

Post-Course Intervention

After completing the Electronic Banking and Technology Risk Supervision Seminar, the participant should be given on-the-job information technology assignments that will increase the retention of the competencies presented during class. Such on-the-job assignments include

- Complete the evaluation of a non-complex bank's electronic banking activity with the assistance of an IT examiner
- Conduct/participate in a discussion with bank management regarding information technology examination findings

Electronic Banking and Technology Risk Supervision Seminar

Curriculum Overview

Subject	Approximate Class Hours	Approximate Homework Hours
Introduction	1.00	
Industry trends and policy	1.00	
Technology basics – introduction	1.50	
Network topology	.50	
IT operations and risks	1.00	
Technology basics exercise	1.25	
Risk management	.75	
Audit	1.00	
Security	2.00	
Outsourcing	1.50	
Contingency planning	1.00	2.00
IT examination overview	.50	
Uniform rating system information technology	1.25	
Case study	3.50	
Integrating examination results	1.00	
E-Banking trends	.50	
E-Banking products & services	1.00	
Internet technology	1.00	
Internet security	1.75	
Risks	1.25	
Integrating examination results	1.00	
Compliance issues	1.50	
Guided tour of websites	.75	
Closing	.75	
TOTALS	28.25	2.00

Operational Risk Assessment Seminar

Type of Participant Targeted

This program is for examiners with 12 to 24 months of field examination experience.

Prerequisites

Participants will receive a pre-seminar reading assignment that prepares them for case study group work during the seminar. This assignment will take approximately four hours to complete.

Course Overview

This seminar is designed to provide examiners and supervisory staff with an understanding of supervisory guidance regarding operational risk and risk management principles; a practical understanding of key risks inherent in core banking activities, management controls, and risk-mitigation techniques; and a fundamental understanding of the approaches to and challenges of quantitative analysis of operational risk. The seminar is also designed to provide a framework for assessing risk, evaluating risk management, and crafting an appropriate supervision and examination strategy. The seminar also includes a basic introduction to issues and quantitative analytical considerations relevant to Basel II operational risk capital allocation.

Course Objectives

After completing this one-week training program, the participant will, at a minimum, be able to

- Understand and discuss the current supervisory guidance on operational risk management and the implications for supervised institutions
- Identify, document, and evaluate inherent risk in a variety of core banking activities
- Assess the interdependency and enterprise-wide impacts of operational risks and the overall risk profile of financial institutions
- Review and evaluate organizational frameworks, as well as individual internal controls and risk mitigants for managing operational risk
- Assess the quality of enterprise-wide operational risk management, including compliance/legal risks
- Understand key concepts in the quantitative analysis of operational risk for Basel II capital calculation
- Develop an appropriate supervisory strategy and examination plan

Anti-Money Laundering Examination Seminar

Type of Participant Targeted

This program is for all examiners with more than six months of field examination experience and an interest in developing techniques for targeted anti-money laundering and counter-terrorist financing examinations.

Prerequisites

None.

Course Overview

This course is designed to provide examiners with an understanding of the importance of reviewing the operational, legal, and reputational risks with regard to money laundering and terrorist financing and their impact on the overall bank rating assessment. The course provides examiners with guidance on assessing the money laundering risks associated with know-your-customer procedures, foreign correspondent banking, wire transfers, private banking, counter-terrorist financing, and suspicious activity reporting. This course will also discuss the USA PATRIOT Act and the current FATF 40 + 9 recommendations and will cover the U.S. experience and regulatory perspective. The case study method will be utilized to highlight and analyze certain key risks in a bank's high-risk business areas.

Course Objectives

Upon completion of this 4½-day seminar, the participant will, at a minimum, have

- A working knowledge of anti-money laundering and counter-terrorist financing terminology
- An overall understanding of the key risks associated with money laundering and the impact on the bank's overall risk management
- A familiarity with examination procedures utilized to review high-risk areas, as well as the bank's internally published anti-money laundering program and procedures
- An understanding of the roles of the risk manager and compliance officer within the environment of the bank
- An ability to apply anti-money laundering examination concepts consistently among different-sized banks

Joint Banque de France International Banking and Finance Institute/Federal Reserve System – "Risk-Focused Supervision and Risk Assessment Seminar"

Type of Participant Targeted

This program, to be held in Paris jointly with the Banque de France International Banking and Finance Institute (IBFI), is designed for supervisory officials and staff from French speaking countries who have more than three years of relevant field experience and have participated in safety and soundness examinations of banks. The lectures will be conducted simultaneously in English and French. The seminar utilizes a single case study throughout the program to demonstrate the risk-focused approach to assessing and examining a financial institution's credit, market, liquidity, and operational activities. In addition, the course highlights the core elements of the examination process, such as planning, implementation, and follow-up.

Course Overview

This course is designed to enhance a participant's analytical and decisionmaking skills through lectures and group work that simulates actual examinations. Lectures will cover four primary risk categories: credit, operations, market, and liquidity. Each risk category lecture will focus on the processes and techniques for developing a risk assessment in preparation for creating an examination scope and plan. During the group case study work, participants will use critical analytical skills to review institutional data, financial institution documents, and previous examination workpapers and summary findings to identify and prioritize areas of risk and evaluate risk management processes. Participants will develop a written risk assessment that identifies strengths and weaknesses for the functional areas, and assess the overall risk of the institution. As part of the functional review, participants will identify examination techniques to employ as part of the on-site examination.

Course Objectives

Upon completion of this 4½-day seminar, the participant will

- Be familiar with the skills and responsibilities regarding risk-focused supervision principles
- Understand processes for identifying and measuring inherent risk for critical risk areas
- Be familiar with examination techniques to review high-risk areas identified through the risk-assessment process
- Be capable of analyzing relevant information from bankers to develop a final institutional risk profile and identify material findings of supervisory concern

Contact for Further Information and Registration

Mr. Gilles Morisson: Tel: +33 (0) 1 64 80 23 98; e-mail: gilles.morisson@banque-france.fr

Joint International Monetary Fund/World Bank/ Federal Reserve Board – "Seminar on Policy Challenges for the Financial Sector"

Type of Participant Targeted

This 3-day program is designed for senior level officials from around the world who hold key positions in the financial sector. These officials generally are governors, deputy governors, heads, or deputy heads of banking supervisory authorities, or high-level staff involved in, or capable of influencing, policy formulation as it concerns the supervision and regulation of banks in their respective countries.

Program Overview

The program aims to provide policymakers a forum for identifying, developing, and challenging responses to strategy and policy issues. It explores current policy issues, disseminates research in the financial sector, and creates awareness of financial sector issues discussed in international forums.

Presentations serve as a setting for extensive discussions and exchanges of experiences among the participants. Debates will encompass major economic, legal, and institutional strategies and policies that are necessary to ensure that appropriate regulatory and prudential safeguards are in place to support sound and sustainable economic growth.

Joint International Monetary Fund/World Bank/ Federal Reserve System – "Seminar for Senior Bank Supervisors from Emerging Economies"

Type of Participant Targeted

This seminar is designed for senior bank supervisors from emerging economies. These supervisors generally are directors of bank supervision, deputy heads of supervision, or high-level staff involved in, or capable of influencing, policy formulation as it concerns the supervision and regulation of banks in their respective countries.

Program Background

In its work in emerging economies, the experiences of the World Bank and the IMF suggest that macroeconomic reforms will be ineffective or counterproductive when a country's financial system is in distress. This occurs because a significant part of the resources that are mobilized by the banking system is used to carry problem borrowers rather than used for loans to productive users of credit. Unless contained by strong prudential regulation and effective accounting policies, the bad portfolio grows until insolvency leads to illiquidity, and the central bank must intervene as lender of last resort. In such cases, the collapse of several smaller banks or of a large bank may cause the sudden contraction of the money supply, the failure of the payment system, and severe dislocations in the real economy. Such a collapse may also create real or implicit obligations on the part of the government, as guarantor of depositors and the lender of last resort. The failure of any bank, no matter how small, may lead to contagion and loss of confidence in the system unless the government can demonstrate its ability to handle bank failures in an orderly and systematic fashion. For these reasons, strong and effective bank supervision and prudential regulation is considered critical if the financial health of an emerging country's banking system is to be restored and/or maintained.

Program Objectives

The objectives of the seminar are

- To familiarize participants with the supervisory problems faced by emerging economies and the constraints such problems pose to economic growth and development
- To discuss alternative solutions for dealing with banking insolvency and financial system distress through deposit insurance schemes and bank restructuring
- To upgrade the technical skills of bank supervisors

At the conclusion of this seminar, participants will, at a minimum, be able to

- Improve supervision and examination capabilities
- Understand the implications of a financial crisis and the alternatives for restructuring banks
- Gain a better understanding of regulations affecting banking institutions and achieve a greater awareness of major regulatory and supervisory topics being discussed at the international level

Joint International Monetary Fund/World Bank/ Federal Reserve System – "Seminar for Senior Bank Supervisors from Emerging Economies"

Program Overview

Strong and effective bank supervision and prudential regulation are cornerstones of a healthy financial system. Since the 1980s, nearly every financial sector adjustment operation undertaken by the World Bank and the IMF has included a component for strengthening bank supervision and prudential regulation. Traditionally, in most countries, highly specialized bank supervision and examination skills have been learned on the job, with only the largest, most developed countries having the resources to establish training departments and courses. Training, to the extent that it has been conducted in emerging economies, has been narrow in focus.

This seminar will attempt to overcome some of these shortcomings by bringing together a group of participants from a wide variety of countries. The program will focus on discussions of the principal policy issues facing bank supervisors in developing countries today. It will establish the linkages between financial system health and macroeconomic performance and the World Bank's general framework for financial sector reform. From these broader issues, the seminar will move to discussions concerning the causes of financial system distress and possible solutions, including problem bank resolution and bank restructuring.

World Bank and IMF staff, and a distinguished group of experts from the U.S. bank supervisory agencies, major international accounting firms, and elsewhere, will lead the discussions. Class participation and interaction will be encouraged.

The seminar will also focus on skills development. Speakers from the FRS, the World Bank, the IMF, the Bank for International Settlements, the Toronto Centre, and the Financial Stability Institute, among others, will discuss many aspects of supervisory and regulatory best practices, including implementation road maps and challenges. Other topics may include loan portfolio management, credit risk, classification of assets, bank analysis, foreign exchange risk, market risk, interest-rate risk, the CAMELS rating system, risk-focused examination techniques, and internal and external auditing. The topics will be presented using a combination of lectures, class discussions, case studies, group exercises, and class presentations. Once again, class participation and interaction will be encouraged as an effective means of sharing ideas and learning. This seminar will continue the process of providing IMF, World Bank, and FRS technical assistance to emerging economies.

Principles of Insurance Risk Supervision

Type of Participant Targeted

This course is designed for safety-and-soundness examiners and other supervisory staff with some knowledge of insurance products and the fundamentals of insurance risk supervision.

Prerequisites

None.

Course Overview

Designed as a supplementary course for safety-and-soundness examiners and other bank supervisory staff, this 4½-day course provides examiners with the tools to better understand and analyze products and processes with an insurance component. The course also covers the use of insurance products as part of a broader enterprise-wide risk management strategy and provides an overview of key and unique risk management issues raised as a financial institution conducts insurance and annuity product sales or underwriting activities. The course will also enhance examiner skills necessary to complete risk assessments of activities in which insurance risk is embedded. Insurance concepts and terminology as well as types of insurance products, industry participants, lines of business, operations, and regulation will be covered. A pre-course reading assignment must be completed prior to attendance.

Course Objectives

By the end of this 4½-day course, participants will, at a minimum, be able to

- Provide an overview of the U.S. insurance industry and its participants
- Explain insurance risk management
- Describe the insurance business and its operations
- Define insurance and annuity products
- Explain key insurance concepts and contract characteristics
- Review financial statements of insurers
- Explain insurance industry regulation within the United States
- Describe supervisory coordination among regulators
- Identify unique risks associated with various types of underwriting
- Explain why anti-money-laundering requirements have expanded to include insurers
- Describe categories and characteristics of corporate-owned life insurance (COLI) and bank-owned life insurance (BOLI)
- Explain insurance and annuity sales activity authority of U.S., state, and federal regulators
- Describe the risks associated with COLI and BOLI and how to perform assessments of these programs
- Describe how to perform assessments of compliance with the Federal Reserve's Regulation H, Consumer Protections in Sales of Insurance (CPSI), and the adequacy of a banking organization's oversight and audit program for ensuring compliance with CPSI

Principles of Insurance Risk Supervision

Class Size

Minimum class size is 10 with a maximum of 25. Given the high demand and limited enrollment, participants should register early.

Instructors

The first 2.5 days of the course are taught by outside vendors. The remaining 2 days are taught by FRS instructors.

Real Estate Lending Seminar

Type of Participant Targeted

Real Estate Lending (REL) is a seminar designed for participants whose typical job assignments involve the credit-quality evaluation of loan portfolios. The typical participant will have some exposure to real estate credits, along with three to five years of regulatory experience.

Prerequisites

Participants must have completed the *Credit Risk Analysis School* and preferably be commissioned safety and soundness examiners or have equivalent experience with other regulatory agencies or banking departments. There is a pre-course reading assignment that requires approximately three hours to complete.

Course Overview

REL is designed to provide a systematic approach to analyzing real estate acquisition, development, and construction lending facilities. This course reviews various types of real estate projects and the unique risks associated with each. Topics likely to be addressed include real estate underwriting standards, developer cash flow analysis, appraisals and appraisal policy guidelines relating to different types of real estate financing, real estate-related accounting issues, problem real estate loan management, classification standards and issues, and local economic conditions affecting real estate lending. REL is an interactive seminar, where participants are encouraged to share relevant experiences and contribute to classroom discussions and case studies.

Course Objectives

Upon completion of this 4½-day seminar, the participant will, at a minimum, be able to

- Evaluate the most important risks inherent in common types of real estate projects
- Determine critical due diligence requirements for various real estate loans, including environmental audits, project feasibility studies, plan and budget reviews, and other relevant documentation
- Differentiate the valuation methods and analyze the key elements of a real estate valuation, as well as determine whether the appraisal reports meet applicable requirements
- Analyze the likely adequacy of real estate loan repayment sources, including those related to the borrower, project, and guarantor
- Assess real estate loan policies to determine if they comply with relevant policy statements and guidelines

Real Estate Lending Seminar

Curriculum Overview

Subject	Approximate Class Days	Approximate Homework Hours
Types of commercial real estate	.50	
Risks inherent in real estate lending (with case)	2.00	
Real estate underwriting standards (with case)	1.00	
Due diligence considerations	.50	.50
Analyzing real estate developer cash flows (with case)	6.00	
Appraisals: the valuation process	1.00	.50
Elements of an appraisal and valuation methods	1.00	
Introduction to appraisal review	3.00	1.00
Appraisal review (with case)	2.00	
Appraisal regulations, guidelines, policies, and procedures	2.00	
Financing and appraising various real estate projects	3.50	
Real estate accounting issues (with case)	1.50	
Problem real estate loan management (with case)	3.00	
Economic indexes and real estate development	1.50	
System supervisory and policy issues related to real estate lending	1.50	
TOTALS	30.00	2.00

Class Size

Optimum class size for each session of REL is 25 participants, with a range from a minimum of 20 to a maximum of 30 participants. This number allows the facilitation of four working groups of approximately six participants for each case. The groups are established by mixing examiner experience, level, and geographic emphasis.

**S.T.R.E.A.M.
Technology Lab
Federal Reserve Bank of Chicago**

Course Descriptions



The Board of Governors of the Federal Reserve System is proud to offer technology-related courses developed and hosted by the S.T.R.E.A.M./Technology Lab at the Federal Reserve Bank of Chicago, Chicago, Illinois. For over nine years, the S.T.R.E.A.M./Technology Lab has pursued a unique approach to examiner technology training by combining lectures with hands-on exercises. The exercises reinforce concepts by allowing participants to input commands into software applications and observe how they work. The Technology Lab is outfitted with many applications and operating systems found in the financial industry.

A selection of these 4½-day courses is being offered to international participants. The targeted participant is an examiner responsible for technology risk supervision, but who may not have had university training in information technology.

In 2011, the offerings of Network Security and Operating Systems have been scheduled for consecutive weeks. This will give participants the option of leveraging travel costs and attending these two foundational courses in a compact time period.

Information Systems Vulnerability Management

Type of Participant Targeted

The Information Systems Vulnerability Management course is a one-week course intended for examiners with IT examination responsibilities but who may not have had university training in information technology. At least one year of field examination experience is preferred.

Prerequisites

None.

Course Overview

This course provides participants with a technical grounding in networking concepts and technologies that are critical to IT operations in financial institutions, including TCP/IP networking protocols and common network infrastructures and configurations. The course examines key network perimeter security tools, including firewalls and intrusion detection systems.

Course Objectives

After completing the course, the participant, at a minimum, will be able to

- Recognize where and how vulnerability management fits in with the bank's overall information security program and IT operations
- Identify the role a vulnerability management program has in safeguarding information and assets
- Assess the adequacy of a patch management, vulnerability scanning and assessment, and penetration testing tools and their limitations
- Evaluate the adequacy of an organization's testing program
- Recognize key elements of an incident response program
- Discuss key technology terms related to information systems vulnerability management
- Assess the key risks, controls and processes in a supervisory context, including regulatory compliance issues
- Identify what the financial institution must do to respond to new threats

Post-Course Intervention

Participants will learn the essential components of a sound vulnerability management program. The bank must position vulnerability management as an integral part of the enterprise-wide information security program, network engineering and IT operations. Other key elements include, asset inventory, risk assessment, monitoring for vulnerabilities, patch management, vulnerability testing, security intelligence, incident response, forensics, and the relationship of vulnerability management to regulatory compliance.

Information Systems Vulnerability Management

Curriculum Overview

Topic/Activity	Approximate Class Hours
General Information Security concepts	1.00
SQL Injection—Case Study	3.00
Risk Mitigation	3.00
Network mapping and vulnerability scanning—Exercise	1.00
Sources of Security Intelligence (review of CVE and Bugtraq)	0.50
Assessing the Patch Status of the Bank—Case Study	1.00
Patch Management Operations—Demonstration	1.00
Testing—Validating the Effectiveness of Patch Management	1.00
Inventory and Asset Identification—Demonstration	0.50
Update on the Latest Threat Vectors (e.g., Zeus)	0.50
Penetration Testing & Vulnerability Assessment—Case Study	1.50
Penetration Testing & Vulnerability Assessment—Demonstration	0.50
Monitoring of Network Traffic and Password Capture—Exercise	1.00
Other Monitoring and Enumeration Tools—Exercise	1.00
Incident Response	1.00
When Banks Must Notify Customers—Case Study	1.00
Incident Response Resources and Regulatory Guidance	2.00
Security Information and Event Management—Demonstration	2.00
Supervisory Concerns	1.50
Responding to New Threats—Capstone Exercise	1.00
TOTAL	25.00

Learning Objectives

Examiners should be able to articulate the key elements associated with operating and managing a vulnerability management program. This starts with having an accurate inventory of all assets (servers and applications) that communicate over the network. Accuracy in this case means that consideration should be given to potential risks for each system (internal and external) and that all systems should be inventoried. It includes having an accurate risk assessment and relies on configuration management. Configuration management is critical as this requires operational discipline regardless of institution size. Finally, the financial institution must be able to articulate a risk-mitigation strategy; this should be reviewed to ensure that new applications and/or systems are treated from a holistic perspective, and that controls for all systems are re-evaluated for effectiveness periodically.

Information Systems Vulnerability Management

By module, participants will accomplish

Module	Learning Objectives
General Information Security Concepts	<ul style="list-style-type: none"> • Foster a baseline understanding of key terms related to vulnerability management
SQL Injection—Case Study	<ul style="list-style-type: none"> • Identify the technical elements required for an attacker to exploit a web server • Examine the controls that must be in place to mitigate SQL injection attacks • Review the bank’s response and identify changes that would have facilitated a quicker recovery
Risk Mitigation	<ul style="list-style-type: none"> • Identify why vulnerabilities are a concern to the financial institution regardless of size and complexity • Discuss vulnerability monitoring and patching • Identify the role of vulnerability assessments in the risk management process • Describe security intelligence • Evaluate vulnerability management tools
Patch Management	<ul style="list-style-type: none"> • Define patch management terminology • Discuss the criticality of applying patches in a timely manner • Enumerate the risks of ineffective patch management • Evaluate patch management deployment tools • Describe the patch process and demonstrate using a commercial tool
Penetration Testing and Vulnerability Assessment (Case Study and Demonstration)	<ul style="list-style-type: none"> • Illustrate the relationship between configuration management, change management, and release management • Identify how poor configuration management practices can lead to vulnerabilities • Demonstrate how vulnerability assessment differs from penetration testing and what are the success criteria for each
Incident Response	<ul style="list-style-type: none"> • Define the goals and definitions of Incident Response (IR) • Describe the IR Life-Cycle, IR Planning, and the IR teams and stakeholders • Evaluate customer notification requirements and other regulatory guidance

Information Systems Vulnerability Management

Class Size

The optimum class size is approximately 25 participants. To provide sufficient variety of interaction among class participants, the minimum class size is 10 participants.

Instructors

Information Systems Vulnerability Management courses include one or more instructor(s) from the FRS and may also include instructors from an external agency.

Operating Systems

Type of Participant Targeted

The Operating Systems course is a one-week course intended for examiners with IT examination responsibilities, but who may not have had university training in information technology. At least one year of field examination experience is preferred.

Prerequisites

None.

Course Overview

This course focuses on the security capabilities and limitations of computer operating systems (OS), including network OS, virtual machines, the Microsoft OS family (including Windows 2003 & 2008 servers, Vista, and Windows 7), the UNIX/Linux operating system family, and IBM's AS/OS/400. Hands-on exercises use virtualized or native environments. Class activities include reviewing security parameters and permissions on various platforms.

Course Objectives

Upon completion of this course, the participant, at a minimum, will be able to

- Describe the typical uses of different operating systems in the enterprise and how they interact with other components of an organization's core IT infrastructure
- Perform fundamental system administration and audit operations
- Reference U.S. supervisory agency examination work programs
- Perform user administration, access control, auditing, and reporting on various operating systems

Post-Course Intervention

Participants should be provided with opportunities that allow them to identify security capabilities and limitations associated with OS within a financial institution. They should review security measurements and recommend proper security controls to protect various OS assets.

Operating Systems

Curriculum Overview

Topic/Activity	Approximate Class Hours
OS history and legacy OS	1.50
Network operating systems	1.50
Virtualization	8.00
Windows 7	5.00
Windows security and controls (Windows server 2003)	4.00
Windows security and controls (Windows server 2008)	4.00
Unix/Linux OS	4.00
IBM/OS 400	2.00
Summary	1.00
TOTAL	31.00

Learning Objectives

Participants build up a solid understanding of various OS functions, features, and their associated security risks through lectures and hands-on exercises. Furthermore, participants evaluate the OS and its security measurement by reviewing, auditing, reporting, and recommending proper security controls.

Operating Systems

By module, participants will accomplish

Module	Learning Objectives
DOS, OS/2 and Thin Client	<ul style="list-style-type: none"> • Identify the basics of operating systems • Enumerate the role operating systems play in information technology • Test the functionalities and characteristics of different operating systems
Unix/Linux	<ul style="list-style-type: none"> • Explain features of Unix and Linux • Identify security strengths and weaknesses • Audit Unix and Linux
Windows Security and Controls	<ul style="list-style-type: none"> • Explain Windows security concepts • Examine Windows elements, including Windows administrative tools, file systems, process management, registry management, performance monitoring, Microsoft Management Console, active directory, user management, group and share, group policy and account policy, audit, and various Window services • Examine Windows security controls, such as device hardening, security template, and encryption of file system
Virtual Machine	<ul style="list-style-type: none"> • Gain basic understanding of virtual machine solutions • Explain features in virtualization player • Review virtualization vendors
Vista and Windows 7	<ul style="list-style-type: none"> • Describe new options and features in Vista and Windows 7 • Explain new security applications • Consider migration impacts
Windows Servers	<ul style="list-style-type: none"> • Review features in the latest Microsoft server 2008 • Identify new security controls and improvement in user interface
IBM OS 400	<ul style="list-style-type: none"> • Inspect IBM OS and servers • Explain the management functions, such as log on, screen and operation navigation, and print • Examine system security values, password, user profiles, and group membership
Network Operating Systems	<ul style="list-style-type: none"> • Explain features of network router, switch, and firewall • List usages of network devices • Perform user creation, OS administration, maintenance, and audit

Operating Systems

Class Size

The optimum class size is approximately 20 participants. To provide sufficient variety of interaction among class participants, the minimum class size is 10 participants.

Instructors

Operating Systems courses include one or more instructor(s) from the FRS and may also include additional instructors from an external agency or consultant firm.

Network Security

Type of Participant Targeted

The Network Security course is a one-week course intended for examiners with IT examination responsibilities, but who may not have had university training in information technology. At least one year of field examination experience is preferred.

Prerequisites

None required.

Course Overview

This course provides participants with a technical grounding in networking concepts and technologies that are critical to IT operations in financial institutions, including TCP/IP networking protocols and common network infrastructures and configurations. The course examines key network perimeter security tools, including firewalls and intrusion detection systems (IDS).

Course Objectives

After completing the course, the participant, at a minimum, will be able to

- Explore, map, and analyze realistic TCP/IP networks using a variety of diagnostic software tools
- Implement, test, and maintain common firewall types and architectures in a simulated e-banking setting
- Identify different IDS products currently available, effectively implement and manage these systems, and understand the controls needed for maintaining an IDS infrastructure
- Discuss examination procedures outlined in the IT Examination Handbook produced by the FFIEC

Post-Course Intervention

Participants will learn the essential components of a network. For each technical element (e.g., firewalls and intrusion detection systems), appropriate controls will be reviewed.

Network Security

Curriculum Overview

Topic/Activity	Approximate Class Hours
Network Attack Vectors	1.00
Anti-Virus and Spyware Exercises	1.00
Microsoft Baseline Security Analyzer Exercise	1.00
Perimeter Defense: Firewalls	2.00
Password Cracking Exercise	.50
Network Diagramming and Exercises	3.00
Router Exercise	1.00
Wireless Networking and Exercises	1.50
Protocols	.75
Encapsulation and Exercises	2.00
NMap Exercise	.75
DNS/FTP/Telnet Exercises	2.50
Firewalls and Exercises	2.50
Intrusion Detection/Prevention Systems	2.50
IDS/IPS Exercises	2.50
TOTAL	24.50

Learning Objectives

Examiners should be able to articulate the key risk elements associated with operating and managing a production network. Good network security starts with an accurate risk assessment. Accuracy in this case means that consideration should be given to potential risks for each system (internal and external) and that all systems should be inventoried. Change management is critical as is ensuring that hosts are hardened according to corporate guidelines. Remote access also needs to be managed to include some form of monitoring and logging. Finally, the financial institution must be able to articulate a risk-mitigation strategy; this should be reviewed to ensure that new applications and/or systems are treated from a holistic perspective, and that controls for all systems are re-evaluated for effectiveness periodically.

Network Security

By module, participants will accomplish

Module	Learning Objectives
Network Attack Vectors	<ul style="list-style-type: none">• Identify and understand the technical implications of the latest network attack vectors• Assess effectiveness of alternative mitigation techniques
Perimeter Defense: Firewalls	<ul style="list-style-type: none">• Evaluate and assess appropriate implementation of firewall controls relative to the complexity of a given network• Use network configuration and sound design of firewall architecture through multiple filter points, active firewall monitoring and management, and integrated security monitoring
Network Diagramming	<ul style="list-style-type: none">• Review the elements of layered security and understand how network devices are used to separate zones of risk
Protocols	<ul style="list-style-type: none">• Illustrate the OSI model by following a packet from encapsulation on one computer to de-encapsulation on another• Examine the various protocol characteristics and evaluate the risk associated with using protocols in a production environment
IDPS Systems	<ul style="list-style-type: none">• Distinguish between alert and block versus alert and pass strategies• Identify sound practices associated with current state-of-the-art intrusion detection and prevention system devices

Class Size

The optimum class size is approximately 25 participants. To provide sufficient variety of interaction among class participants, the minimum class size is 10 participants.

Instructors

Network Security courses include one or more instructor(s) from the FRS and may also include instructors from an external agency.

IT Supervisory Themes and Emerging Topics

Type of Participant Targeted

IT Supervisory Themes and Emerging Topics (STET) is a one-week course. The course is suitable both for newer examiners looking for some introduction to various IT topics, and experienced examiners who have encountered these issues and could benefit from further collaboration with other examiners.

Prerequisites

None.

Course Overview

This course is designed to highlight emerging topics in information technology in a condensed and discussion-oriented format. Topics include virtualization risks, wireless, voice over IP, remote deposit capture, cloud computing, social media risks and controls, and data leak prevention. The class modules are dynamically developed based on evolving IT operational risks and newfound IT exam issues. Therefore, each class may have different focus areas based on latest IT trends. This course offers 28 credit hours.

Course Objectives

Upon completion of this course, the participant, at a minimum, will be able to

- Demonstrate a basic understanding of learned IT technology
- Identify strengths and weaknesses of various technologies
- Perform fundamental system administration and audit operations
- Evaluate and report efficiency of various security controls to protect technology operations

Post-Course Intervention

Participants should be provided with opportunities that allow them to identify security capabilities and limitations associated with computer operating systems within a financial institution. They should review security measurements and recommend proper security controls to protect technology operations.

IT Supervisory Themes and Emerging Topics

Curriculum Overview

Subject	Approximate Class Hours
Virtualization and Risks	5.0
Remote Deposit Capture	3.0
Cloud Computing	3.0
Cloud Computing Vendor Management	4.0
Wireless	3.0
Voice Over IP	4.0
Social Media Risks and Controls	3.0
Data Leak Prevention	2.0
Summary	1.0
TOTAL	28.00

* Note: The topics and hours may vary from class to class. *

Learning Objectives

Participants develop a solid understanding of various technologies and identify security strengths and weaknesses in the technology implementations. Furthermore, participants evaluate the technology and its security measurement by reviewing, auditing, reporting, and recommending proper security controls.

IT Supervisory Themes and Emerging Topics

By module, participants will accomplish

Module	Learning Objectives
Virtualization and Risks	<ul style="list-style-type: none"> • Explain virtualization and its trends • Specify virtualization risks and risk controls
Remote deposit capture	<ul style="list-style-type: none"> • Illustrate Remote deposit capture landscape • Identify related risks and controls to manage the risks • Evaluate relevant red flags requirements
Wireless and Hands-on Labs	<ul style="list-style-type: none"> • Review and Discuss 802.11n WLAN standard • Identify WLAN risks and controls • Review wireless IDS application • Generate wireless audit reports
Cloud Computing	<ul style="list-style-type: none"> • Explain cloud computing concept • Illustrate various deployment models • Identify security and compliance risks • Evaluate controls to mitigate the risks
Cloud Computing Vendor Management	<ul style="list-style-type: none"> • Identify the necessary management process and technical controls in the cloud • Review the vendor risk matrix • Assess cloud vendor's security and compliance capabilities
Voice over IP (VoIP) and Hands-on Labs	<ul style="list-style-type: none"> • Detail VoIP system components • Discover various risk areas in a VoIP system • Recommend VoIP reviews and exams
Social Media Risks and Controls	<ul style="list-style-type: none"> • Understand the social media applications in various forms • List the exposures and risks regarding the information security • Recommend the necessary policies, procedures, and controls to mitigate the risks
Data Leak Prevention	<ul style="list-style-type: none"> • Assess data leak risks • Identify policy, procedure, and risk controls to protect sensitive information

Class Size

The optimum class size is approximately 20 participants. To provide sufficient variety of interaction among class participants, the minimum class size is 10 participants.

Instructors

The STET course is conducted and supported by a diverse group of professionals, including senior IT examiners, information security specialists, technology architects, and program managers from the FRS, FFIEC agencies, state banking supervision departments, and consulting firms.

Federal Financial Institutions Examination Council Course Descriptions

Financial Crimes Seminar

Type of Participant Targeted

The Financial Crimes Seminar is offered to commissioned safety and soundness examiners.

Prerequisites

None.

Course Overview

The Financial Crimes Seminar provides commissioned examiners with a higher level of knowledge of fraudulent schemes and insider market abuses. The seminar also provides an overview of how a fraud case is investigated and documented.

The seminar topics reflect the current fraud environment in the financial industry. Instructors may include staff from the U.S. Federal Bureau of Investigation, the Securities and Exchange Commission, the Financial Crimes Enforcement Network, the Department of Justice, and various regulatory agencies. Industry specialists, accountants, and attorneys may also serve as instructors.

Topics are subject to change and may include

- Mortgage fraud
- Identity theft/cybercrimes
- Embezzlement/insider fraud schemes
- Anti-money laundering
- Payment systems fraud
- Other emerging financial crimes

Course Objectives

Upon completion of this 3½-day seminar, the participant will have gained knowledge in

- Current financial crimes impacting financial institutions
- Red flags of mortgage fraud
- Potential insider abuse

International Banking School

Type of Participant Targeted

The International Banking School is a specialized course not intended for all bank examiners. Rather, it is designed for examiners who have supervisory responsibilities for regional or multinational banks that are actively engaged in international banking activities and for U.S. branches and agencies of foreign banks. This course is considered inappropriate for those who do not have international supervisory responsibilities. Participants should have examination or other agency responsibilities in international banking that occur at least occasionally, if not frequently.

Prerequisites

Examiners who have limited international banking knowledge are required to complete the FFIEC *Basic International Banking Self-Study* course prior to attending this course. This prerequisite may be waived if the participant can demonstrate significant international experience. It is recommended that attendees have at least six months to one year international banking examination experience.

Course Objectives

At the completion of the course, a participant will be able to

- Identify current key regulatory and market issues in examining and supervising financial holding companies and banks with international banking activities
- Analyze the major forces driving structural changes in international financial markets and the impact of these changes on the banking community
- Discuss best practices in risk management at international financial holding companies and banks
- Define all macro and financial risks and identify how they materialize at financial institutions
- Identify key global organizations and their influence on international banking
- Evaluate the role of global rating agencies and their impact on banks' capital adequacy and their capital markets transactions
- Discuss major components of Basel II and its influence on international financial markets
- Identify significant issues in emerging markets and compare and contrast key countries with international banking activities
- Analyze the various types of foreign exchange (FX) spot and derivatives transactions and their risks
- Review trends in accounting frameworks at international financial institutions
- Discuss mechanics of and trends in global loan, debt, and equity issuance underwriting
- Analyze trade finance activities and their risks
- Provide strong support in examinations of small-scale international banking activities

Course Requirements

Participants should complete pre-course assignments sent to them prior to attending the school and bring a calculator capable of calculating present value.

Payment Systems Risk Conference

Type of Participant Targeted

The Payment Systems Risk Conference is intended for commissioned or equivalent tenured field examiners who need a better understanding of the risks associated with payment systems.

Prerequisites

None.

Course Overview

The Payment Systems Risk Conference addresses risks related to payment systems, identifies strategies and methods used to mitigate these risks, and provides examiners with knowledge and information that can be incorporated into the supervisory process. The conference also addresses technology and emerging issues and their impact on financial institutions and regulatory communities. Topics vary from year to year on the basis of feedback from prior participants, needs expressed by examiners, industry and regulatory changes, and discussions with an interagency development group.

Course Objectives

After attending this 3½-day conference, participants will, at a minimum, be able to

- Apply knowledge and effective approaches for managing payment systems risk in the supervisory process
- Identify and discuss important and emerging risks to payment systems
- Discuss applicable systemic, regulatory, and industry perspectives

Other Agency Course Descriptions

The Options Institute

Length

Three days.

Cost

The cost is U.S.\$775 per attendee. All participants taking this program are expected to make payment directly to the Chicago Board Options Exchange (CBOE) with a credit card upon arrival.

Location

The Options Institute is located within CBOE on LaSalle and Van Buren Streets, in Chicago, Illinois.

Instructors

The faculty consists of traders and members of the financial and academic communities.

Course Objectives

The Options Institute is the educational unit within CBOE that offers a 3-day seminar on how to use options for risk management. The seminar explains the role of options in modern portfolio management. The curriculum combines lectures, discussions, strategy workshops, and trading floor experience.

Day 1: The first day of the program covers essential options concepts, options pricing theory, and options mechanics. In addition, the role of the Options Clearing Corporation is discussed. Also, options strategies for risk management are discussed as well as the role of market makers.

Day 2: During the second day, the program covers futures pricing and hedging strategies. Also, index options and foreign currency options are discussed. Participants are introduced to options strategies under simulated market conditions.

Day 3: The final day covers regulatory structure and managing risk using interest rate derivatives, as well as a visit to the trading floor. Participants view the trading floor from inside the trading pit and have the opportunity to ask questions of brokers on the trading floor.

