DATE: November 2, 2009

SUBJECT: Prudent Commercial Real Estate Loan Workouts

HIGHLIGHTS: The Federal Reserve, along with the other financial regulators of

the Federal Financial Institutions Examination Council (FFIEC),

has adopted the attached policy statement on Prudent

Commercial Real Estate Loan Workouts. The Federal Reserve and the other financial regulators issued this policy statement to update longstanding guidance regarding the workout of CRE loans, especially in light of recent increases in such workouts.

DOCUMENT

LOCATION: http://www.federalreserve.gov/boarddocs/srletters/2009/SR0907.

<u>htm</u>

FURTHER

INFORMATION: Timothy A. Bosch, Vice President

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