

**DATE:** December 20, 2006

**SUBJECT:** Interagency Policy Statement on the Allowance for Loan and Lease Losses (ALLL). (SR 06-17)

**HIGHLIGHTS:** On December 13, 2006, the Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, the Office of the Comptroller of the Currency, the Office of Thrift Supervision (the “banking agencies”), and the National Credit Union Administration (NCUA) issued the attached *Interagency Policy Statement on the Allowance for Loan and Lease Losses*. This guidance updates and replaces the 1993 *Interagency Policy Statement on the Allowance for Loan and Lease Losses* (SR Letter 93-70). The agencies revised the prior policy to ensure consistency with generally accepted accounting principles (GAAP) and more recent supervisory guidance. Additionally, the agencies issued a supplemental Frequently Asked Questions document to assist with application of the revised policy statement.

**DOCUMENT**

**LOCATION:** <http://www.federalreserve.gov/boarddocs/srletters/2006/SR0617.htm>

**FURTHER  
INFORMATION:**

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