

January 23, 2002

Letter to the Editor
American Banker
One State Street Plaza
27th Floor
New York, NY 10004

Dear Editor:

While I'm willing to give Paul Nadler the benefit of the doubt that he was attempting to steer college graduates toward a career in bank regulation, his column "Examine Examination as Career-Path Start," does not paint a very appealing or accurate picture of the skill, ability, and judgment required to be a bank examiner.

Bank examiners receive a broad base of exposure to the numerous products, activities, and management styles and practices in banking. Examiners do not get "pigeon-holed," and have plenty of opportunities for career advancement. Examiners learn to understand how the different departments of the bank function together. Experienced examiners have tremendous analytical ability in the areas of bank performance and credit evaluation. Most examiners can give you real, personal experiences of why it is important to analyze beyond the numbers. Examiners have the opportunity to hone their management skills, while serving as the Examiner-in-Charge, overseeing and being responsible for the examination. (Yes, this does require that you know where the bank is located). And finally, they get numerous opportunities to develop their presentation and sales skills as they present their risk assessment to management and the board of directors. Most graduate banking school presidents will tell you that examiners traditionally do exceptionally well in their programs due to this experience.

While banks may reduce outside training opportunities during challenging economic times, state banking departments and Federal banking agencies are steadfast when it comes to training. These training programs are numerous and diverse, bringing together examiners from around the country to enhance the learning process and provide networking opportunities. In fact, many banks seek out examiners to fill officer-level positions in their banks. Numerous bank CEOs started their careers as bank examiners.

Dr. Nadler tells an interesting story of a bank taking advantage of the dual banking system to supposedly choose the state regulator, with a "more relaxed position," over the more stringent Office of the Comptroller of the Currency. Instead of being a "competition in laxity," as Dr. Nadler suggests, I believe this is a perfect example of the state regulator being more in touch with the realities of the local market.

Examiners are the front line troops. They must exercise their best judgment every day, determining the risk of each decision, policy, practice, and credit. We call upon these folks to many times deliver unwelcome news, a poor credit, a dishonest employee, a decline in the

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composite rating. If they do not call it right in the field, there is not much else that matters. They ensure the safety and soundness, and ultimately the required confidence in the banking system.

So, we'll excuse the OCC examiner who entered the wrong bank and thank him for his service. For those college graduates who are looking for great banking experience in a challenging and personally satisfying environment, call your state banking department. That will be a good first step towards a successful career in the banking industry.

Sincerely,

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Michael Stevens serves as the vice president of education for the Conference of State Bank Supervisors, the nation's leading advocate for the state banking system. Prior to joining CSBS, he served as a bank examiner for the Iowa Division of Banking.