

[Regulatory Authority Name]
[Department Name]
[Address Line 1]
[City, State, Zip Code]

[Date]

[Contact Person Name]
[Title]
[Financial Institution Name]
[Address Line 1]
[City, State, Zip Code]

RE: Notice of Deficiency - Capital Adequacy Stress Test Submission [Year/Cycle]

Dear [Contact Person Name],

The [Regulatory Authority Name] has completed its initial review of the Capital Adequacy Stress Test results and supporting documentation submitted by [Financial Institution Name] on [Submission Date].

Based on our review, the submission has been deemed deficient. The following areas do not meet the prescribed regulatory requirements or expectations:

- **Data Integrity:** [Description of missing or inconsistent data sets].
- **Methodological Flaws:** [Description of issues with modeling, scenario application, or assumptions].
- **Governance and Documentation:** [Description of inadequate internal audit or lack of technical justification].
- **Capital Planning:** [Description of failure to link stress results to capital actions].

Due to these deficiencies, [Financial Institution Name] is required to take the following actions:

1. Submit a Remediation Plan by [Date] outlining how the identified gaps will be addressed.
2. Resubmit the corrected Stress Testing Package no later than [Date].
3. [Optional: Attend a supervisory meeting on [Date] to discuss these findings.]

Failure to address these deficiencies within the specified timeframe may result in [mention potential supervisory consequences, e.g., capital add-ons or restrictions on distributions].

Please direct any questions regarding this notice to [Contact Name/Department] at [Phone Number/Email].

Sincerely,

[Signature]

[Name of Signing Officer]
[Title]
[Regulatory Authority Name]