



NEWS RELEASE

FOR IMMEDIATE RELEASE

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FDIC SAYS 'NO ASSURANCES' TO WAUWATOSA

The FDIC Board of Directors today advised Wauwatosa Savings and Loan Association that the FDIC can make no assurances at this time to Wauwatosa that it would be able to retain its deposit insurance should it withdraw from membership in the Federal Home Loan Bank system.

Wauwatosa Savings and Loan Association of Wauwatosa, Wisconsin had advised the Federal Home Loan Bank of Chicago that it wished to withdraw from membership in the Federal Home Loan Bank system. With that request, Wauwatosa also asked that the FDIC give assurances that its deposits would continue to be insured after its withdrawal from the System.

The FDIC advised Wauwatosa that the FDIC's position is based on a determination by the Office of Thrift Supervision, Wauwatosa's primary federal supervisor, that Wauwatosa is legally bound to remain a member of the System, and that the withdrawal of savings associations from the System would pose safety and soundness concerns. The OTS had also asked the FDIC for a delay in any final decision in order that it might have time to promulgate rules clarifying its position.

The FDIC Board voted to withhold any final decision on the Wauwatosa request for 18 months to permit the OTS to consider rule-making. The FDIC Board also indicated it would entertain OTS's suggestion that the rule-making process be undertaken jointly by the OTS, the FDIC and the Federal Housing Finance Board.

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