



## NEWS RELEASE

FOR IMMEDIATE RELEASE

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### FDIC CHAIRMAN SEIDMAN SUPPORTS FEDERAL RESERVE'S PROPOSED CAPITAL RULE

FDIC Chairman L. William Seidman expressed support for the bank capital policy proposed this week by the Federal Reserve Board.

Mr. Seidman said: "Based on extensive discussions with the Federal Reserve, the FDIC supervisory staff has concluded that the capital policy adopted by the Federal Reserve provides a sound framework for assuring the maintenance of adequate capital levels throughout the industry.

"By limiting the 3 percent minimum leverage ratio to banks rated 1 under the uniform bank rating system, the Federal Reserve's proposed policy would make it clear that all other institutions would be subject to appropriately higher capital requirements, dependent upon their risk profile."

Of the nation's approximately 13,000 commercial banks, 2,660, or about 20 percent, are 1-rated. These are the nation's soundest banks, and are not considered to represent a risk to the deposit insurance fund.

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