



NEWS RELEASE

FOR IMMEDIATE RELEASE

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FDIC ISSUES GUIDELINES FOR FINANCIAL INSTITUTION DIRECTORS

Federal Deposit Insurance Corporation Chairman L. William Seidman today announced the distribution of a "Pocket Guide for Directors" to the chief executive officers of all insured financial institutions. The guide was developed by the FDIC and has been endorsed by the Board of Governors of the Federal Reserve System, the Office of the Comptroller of the Currency and the Federal Home Loan Bank Board.

Chairman Seidman noted: "Change in the financial market has created a more competitive and challenging environment for all financial institutions. This means that the role of the financial institution board member has grown in importance and complexity.

"While not intended to address all issues and situations encountered by directors, this brief, 'plain English' reference source will provide valuable guidance to directors who want to be sure they are doing their job well," Seidman said.

Mr. Seidman commented: "While there are more detailed directors' guides, this one is designed so even the busiest director will have time to read it and use its advice to ensure doing his or her job with diligence."

The guidebook lists five general rules boards of directors should follow in overseeing the conduct of the institutions' business:

- . select and retain competent management;
- . establish, with management, the institution's long and short term business objectives, and adopt operating policies to achieve these objectives in a legal and sound manner;

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- . monitor operations to ensure they are adequately controlled and comply with laws and policies;
- . oversee the institution's business performance; and
- . ensure that the institution helps to meet its community's credit needs.

Copies of the "Pocket Guide for Directors" are available from the Office of Corporate Communications, Federal Deposit Insurance Corporation, 550 Seventeenth St., N.W., Washington, D.C. 20429, or through the Board of Governors of the Federal Reserve System, the Federal Home Loan Bank Board and the Office of the Comptroller of the Currency.

A more detailed discussion of a director's role and responsibilities is available in the Office of the Comptroller of the Currency's new book "The Director's Book -The Role of a National Bank Director," which is available from the Communications Division, Office of the Comptroller of the Currency, Washington, D.C. 20219.

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