



NEWS RELEASE

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FDIC CHAIRMAN COMMENDS N.Y. THRIFTS FOR STRONG 1986 PERFORMANCE

FDIC Chairman L. William Seidman today commended New York's savings institutions for their strong earnings performance. "All of the savings institutions the FDIC insures in New York reported net income during the first quarter of 1986," he said.

In remarks delivered to the New York League of Savings Institutions, Mr. Seidman noted state-chartered savings banks are reporting second quarter operating profit of \$115 million. "Things have come a long way since 1981, when only seven percent of the FDIC-insured savings banks in this state reported any earnings," he said.

Mr. Seidman said the net worth certificate program created by Congress in 1982 has proven to be a very valuable tool for both savings institutions and the FDIC. Twenty five of New York's savings banks with more than \$40 billion in assets obtained \$674 million in net worth assistance, a significant portion of which already has been repaid. "The program probably saved the insurance fund billions of dollars," Mr. Seidman said.

The FDIC Chairman urged the group to support other legislation which also could help reduce the insurance fund's costs in dealing with troubled banking institutions. He noted a bill now pending in the Senate (S. 2752) would expand the FDIC's authority to arrange emergency interstate mergers, permit the agency to own and operate "bridge" banks, reaffirm the FDIC's independence of the Office of Management and Budget, and provide for the recapitalization of the Federal Savings and Loan Insurance Corporation.

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