



NEWS RELEASE

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IRVINE H. SPRAGUE ANNOUNCES RESIGNATION AS FDIC DIRECTOR

Irvine H. Sprague, Director and former Chairman of the FDIC, today announced his resignation effective April 3 after serving two terms totaling eleven and one-half years on the FDIC Board, the second longest tenure in the Agency's history.

Mr. Sprague, in his February 7 resignation letter to President Reagan, noted that he was entering his eighth year of what was to have been a six-year term. He said: "It has been the most challenging time in FDIC history and I am proud of my service as both chairman and director."

L. William Seidman, Chairman of the FDIC, commented: "Mr. Sprague will be remembered for his leadership during a critical period in the FDIC's history and for his many major contributions to FDIC policies and programs. I personally am grateful to him for his invaluable counsel during the initial months of my chairmanship."

Mr. Sprague observed that Mr. Seidman's capable leadership makes it possible to leave with confidence that the FDIC is in good hands. In his letter to the President, Mr. Sprague wrote: "During the past five months I have enjoyed working with the new chairman, and he has shown an extraordinary grasp of the problems we face and the actions that must be taken. Never before has the FDIC had such an able administrator, so I feel free to leave."

Mr. Sprague continued in office for more than a year after the expiration of his term under a section of law providing for interim service on the three-member Board if a successor has not been named. Mr. Sprague's

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first term as director was from 1969-1973. Leo Crowley, named FDIC's chairman in 1934, served two months longer.

Mr. Sprague has more than 29 years of government service. He was formerly Special Assistant to President Lyndon Johnson in the White House, Executive Director of the Steering and Policy Committee of the House of Representatives for Speaker Tip O'Neill, Director of the House Majority Whip's Office for Congressman John McFall, and California Deputy Director of Finance for Governor Pat Brown. Previously, he was a California newspaperman.

Mr. Sprague is the only FDIC director to have been appointed by two Presidents. He was nominated for his first term by President Johnson and named to return as chairman by President Carter in 1979.

Three times during his tenure he faced and worked on solutions to what would have been the largest bank failure in history -- first, the \$1.5 billion Bank of the Commonwealth in Detroit in 1972; then the \$9 billion First Pennsylvania Bank in Philadelphia in 1980; and finally, the \$41 billion Continental Illinois National Bank in Chicago in 1984. He has been involved in the handling of 21 of the 25 largest banking collapses in U.S. history. All told, he has participated in the decisions on how to proceed on 360 failures, just over 40 percent of the 894 insured banks that have required FDIC assistance, far more than any other director. In dollar terms, that represents more than 92 percent of the 52-year total because most of the early failures were small, and the giants did not begin to fall until the 1970s and 1980s when Mr. Sprague was at the FDIC.

As Director, Mr. Sprague also served as chairman of the three standing FDIC internal committees that directly advise the Board: Budget and Management; Liquidation; and Board of Review. He was the first Vice Chairman of the interagency Depository Institutions Deregulation Committee at a time

when deregulation of interest rates seemed almost an insurmountable task. He also was Vice Chairman of the interagency Federal Financial Institutions Examination Council and Director of the Neighborhood Redevelopment Corporation.

He has served with four other FDIC Chairmen: Kenneth A. Randall, Frank Wille, William M. Isaac and Mr. Seidman, and with four Comptrollers of the Currency (who are ex-officio members of the FDIC Board): William B. Camp, John G. Heimann, C. T. Conover and Robert L. Clarke, as well as two acting Comptrollers, Charles Lord and H. Joe Selby. Four Federal Reserve Chairmen overlapped his terms, as did nine Secretaries of the Treasury.

Sprague graduated from Stockton College (English), University of the Pacific (Economics) and the Harvard Advanced Management Program (Business). He also attended Indiana University (Engineering) and George Washington University (Law).

He is listed in Who's Who in America, Who's Who in Government, Who's Who in Politics and Who's Who in Finance and Industry.

A retired Army Lieutenant Colonel, Sprague was an infantry rifle platoon leader in the Philippines and later was on General MacArthur's GHQ staff in Japan. He earned the Combat Infantry Badge, two Bronze Stars, the Purple Heart and the California Medal of Merit.

Married to Margery Crow, they have three children -- Michael, Terry and Kristine and five grandchildren, Nick, Jenna, Sam, Nicole and Gail.

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