



PRESS RELEASE

Federal Deposit Insurance Corporation

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CHAIRMAN HELFER PRAISES CONGRESS FOR PASSING SAIF LEGISLATION

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FDIC Chairman Ricki Helfer praised Congress for passing legislation that will put the deposit insurance funds on a sound footing.

"This bill is good for the nation's financial system and good for America's depositors," she said. "By capitalizing the Savings Association Insurance Fund, Congress has fixed a structural defect in the deposit insurance system that threatened not only the SAIF, but the strength of the deposit insurance system as well.

"The legislation assures Americans that their deposits are safe," she added.

Chairman Helfer also thanked bankers and thrift executives for working together in the final months of the Congressional session to make the legislation possible.

"I appreciate the very constructive part that banks and thrift institutions are playing in solving a problem that is not of their making," she said.

The thrift industry is paying a one-time assessment of \$4.5 billion to capitalize the SAIF, and banks will bear part of the cost of the Financing Corporation bonds sold from 1987-89 in an effort to shore up the former Federal Savings and Loan Insurance Corporation, Chairman Helfer noted.

BIF-member institutions will pay one-fifth the rate paid by SAIF members for the first three years. After January 1, 2000, BIF and SAIF members will share the FICO payments on a pro-rata basis.

"In the long run, banks and thrifts both benefit from the legislation because insured by the FDIC' will continue to be synonymous with depositor protection, as it has been since 1933," Chairman Helfer said.



Congress created the Federal Deposit Insurance Corporation in 1933 to restore public confidence in the nation's banking system. It promotes the safety and soundness of these institutions by identifying, monitoring and addressing risks to which they are exposed. The FDIC receives no federal tax dollars — insured financial institutions fund its operations.

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