

R E S O L U T I O N

WHEREAS, certain deposit-placement activities exist in the banking industry; and

WHEREAS, the FDIC is concerned that those activities result in a flow of deposits into FDIC-insured banks without an adequate analysis of the managerial practices and financial stability of the banks; and

WHEREAS, the FDIC suspects that the multiple insurance coverage afforded in relation to pension and other custodial deposits also fails to encourage market and bank analyses in the placement of those deposits with FDIC-insured banks; and

WHEREAS, the Federal Home Loan Bank Board has expressed to the FDIC similar concerns regarding brokered deposits in the thrift industry; and

WHEREAS, the Board of Directors deems it appropriate to solicit comments jointly with the Federal Home Loan Bank Board on the nature of the deposit-placement activities described in the attached Advance Notice of Proposed Rulemaking ("Advance Notice") and whether or how those activities should be either limited or prohibited.

NOW, THEREFORE, BE IT RESOLVED, that the attached Advance Notice be published with a due date for comments 30 days after publication;

BE IT FURTHER RESOLVED, that the Executive Secretary of the FDIC be and is hereby authorized to take whatever action is necessary to publish the Advance Notice in the Federal Register jointly with Federal Home Loan Bank Board.