



PRESS RELEASE

Federal Deposit Insurance Corporation

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FDIC RESUMES AUCTION PROGRAM

FOR IMMEDIATE RELEASE

The FDIC has resumed its auction program under a new set of interim procedures designed to prevent the type of irregularities that occurred under the Resolution Trust Corporation's management.

The FDIC suspended the program on April 10, after uncovering irregularities involving the payment of expenses in some RTC auctions. In addition to launching a comprehensive review of the auctions, the FDIC referred its findings to the Office of the Inspector General.

The interim auction procedures will not replace existing FDIC policies on procurement and management oversight, but will supplement those policies to ensure that adequate controls are in place with respect to payments for expenses in connection with future auctions for Owned Real Estate; Furniture, Fixtures and Equipment; Loans; and Foreclosures.

The agency intends to issue final auction procedures by July 31, 1996.

The RTC was established in 1989 to oversee the resolution of failed thrifts. It was merged into the FDIC on January 1, 1996.



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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