



# PRESS RELEASE

Federal Deposit Insurance Corporation

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## FDIC MOVES DEPOSIT INSURANCE REFORM FORWARD

### FOR IMMEDIATE RELEASE

The Federal Deposit Insurance Corporation (FDIC) today announced that it was seeking public comment on a range of issues in deposit insurance as a step toward reforming the system.

For discussion, the agency issued an Options Paper that outlines options for changes in FDIC insurance premiums, insurance fund management, and account coverage. It asks four questions: How should the FDIC price risk? How should new deposits be treated? How should losses be funded? How should insurance coverage levels be determined?

The FDIC announced a comprehensive review of the deposit insurance system last March. The Options Paper is part of a deliberative process that has included roundtable discussions with interested organizations and individuals, outreach meetings with the industry, and studies commissioned with outside experts.

"There is an old saying - the best time to fix your roof is when the sun is shining," Donna Tanoue, FDIC Chairman, said in announcing the paper. "We cannot pass up this opportunity to fix the roof before the next storm hits."

She stressed that: "Over the years, FDIC insurance has protected depositors, and in doing so, has helped assure the stability of the banking system and the economy.

"FDIC insurance has worked well, but it can work better," she concluded.

Comments on the Options Paper may be registered on the FDIC Web site at [www.fdic.gov](http://www.fdic.gov). The Internet version of the paper will include a survey, which will become available on August 31. Comments may also be addressed to Robert E. Feldman,



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.

FDIC press releases and other information are available on the Internet at [www.fdic.gov](http://www.fdic.gov), by subscription electronically (go to [www.fdic.gov/about/subscriptions/index.html](http://www.fdic.gov/about/subscriptions/index.html)) and may also be obtained through the FDIC's Public Information Center (877-275-3342 or 703-562-2200). PR-52-2000

Executive Secretary, Attention: Comments/OES, Federal Deposit Insurance Corporation, 550 17th St., N.W., Washington, D.C. 20429; hand-delivered to the FDIC's building; faxed to (202) 898-3838; or sent via the Internet to [comments@fdic.gov](mailto:comments@fdic.gov).

The comments will be summarized each month through the fall of 2000, beginning with September, and the summaries posted at [www.fdic.gov](http://www.fdic.gov). The comments will be available for inspection at the FDIC Public Information Center, Room 100, 801 17th St., N.W., Washington, D.C.

Attachment: Chairman Tanoue's Opening Statement