



PRESS RELEASE

Federal Deposit Insurance Corporation

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THE EFFECTS OF THE U.S. ECONOMIC SLOWDOWN: HOUSTON

Houston's banks could face a challenging 2002, according to a report released today by the Federal Deposit Insurance Corporation (FDIC). Today's edition of **FYI** is the first of a series of profiles that will highlight regional issues facing U.S. banks. After racing ahead of the national economy early in 2001, Houston faced weakening energy prices, layoffs at computer manufacturers and airlines, the bankruptcy of Enron, and the most costly tropical storm in U.S. history. According to the report, "The many FDIC-insured institutions that conduct business in this market, especially the 58 institutions headquartered in Houston, must adjust from a period of extraordinarily rapid growth to one in which the economic fundamentals seem to have changed."

The report's findings are summarized in **FYI**, an e-mail bulletin covering FDIC analysis of emerging issues in banking and the economy. **FYI** is available on the FDIC Web site at www.fdic.gov, where those interested in receiving each issue electronically may subscribe. A copy of **FYI** is attached.

Attachment: <http://www.fdic.gov/bank/analytical/fyi/2002/030702fyi.html>



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, by subscription electronically (go to 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-28-2002**