



PRESS RELEASE

Federal Deposit Insurance Corporation

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Media Contact:
David Barr (202-898-6992)

FDIC Sells First Quarter Offerings Through Award-Winning Web-Based System

FOR IMMEDIATE RELEASE

Using new technology to market and sell its loans over the Internet, the Federal Deposit Insurance Corporation (FDIC) has sold its first quarter 2004 asset sales offerings. The FDIC was recognized in December for its Web-based system, "FDICSales.com," by the 2003 President's Quality Award Program for excellence in expanding electronic government.

The assets, with an appraised value of \$22.9 million, were sold for \$21.8 million in two offerings. The first offering was an English Outcry Auction on April 5 and the second was a Sealed Bid Sale on April 6.

The outcry auction was the first time this type of sale was conducted on FDICSales.com. In an outcry auction, the auctioneer begins with the lowest acceptable price and proceeds to solicit successively higher bids until no one will increase the bid. Through FDICSales.com, bids on up to 20 pools of assets can be accepted at once in a real-time, continuous feed. Bidders see the high bid and can enter proxies with set maximum limits. The system automatically bids the minimum increment until a bidder's limit has been reached. For the April 5 sale, loan documents were imaged and investors were able to conduct all of their due diligence online. A mock auction was held to allow investors to become familiar with placing their bids on the Web site.

"FDICSales.com has performed spectacularly since becoming operational in mid-2003," said Mitchell Glassman, Director of the FDIC's Division of Resolutions and Receiverships. "In our pursuit of world-class customer service, with the ability to quickly respond to customer needs, we fashioned a Web-based, paperless system to market and sell our failed bank assets. Along with bringing more eligible buyers into the market, our efforts have resulted in cost efficiencies, more effective utilization of manpower, and certainly satisfied customers."



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-49-2004

More than 1,200 customers have registered to use FDICSales.com.

Once registered, customers can indicate their preferences for the types of loans they are interested in purchasing, receive electronic notification of sales matching their preferences, access information about the loans offered for sale, and submit bids to purchase the loans.

To access the online system, go to www.FDICSales.com.