



PRESS RELEASE

Federal Deposit Insurance Corporation

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Banks Resuming Operations in Hurricane-Affected Areas *Chairman to Tour Areas Hit by Storm, Meet with State Banking Commissioners*

Most banks in the areas affected by Hurricane Katrina are operating and providing financial services to customers and non-customers, according to the FDIC, which has now been able to contact all of the 280 institutions in the area. The vast majority of the banks are operational with the exception of a limited number of branch closures due to the aftermath of Hurricane Katrina. In some cases, banks are implementing business continuity plans by arranging for temporary offices and backup information technology services.

"We know that the payments system is working well," said FDIC Chairman Don Powell. "We are working with the Federal Reserve to monitor and facilitate cash deliveries to institutions. We will monitor the situation continuously."

Even in the circumstances where communities and banking offices sustained very heavy damage, bank customers should be able to access their funds by check or ATM. Banks are required to have extensive contingency plans for all types of disruptions to operations, including natural disasters. Banks have backup systems of records and other built-in duplications that are stored in safe locations so that financial records can be reconstructed and restored, if needed.

While many customers in the affected areas have experienced some disruptions in banking services, they can be confident that their money is safe. "To my knowledge, no bank in the history of federal deposit insurance has failed as a result of a natural disaster," said Chairman Powell. "Consumers, as always, can rely upon the guarantees provided by the FDIC. Their federally insured deposits are fully protected; no depositor has ever lost one cent in a federally insured account."

Chairman Powell will be traveling to the hurricane disaster area at the invitation of the Louisiana and Mississippi bank commissioners to meet with bankers and bank



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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regulators to assess the restoration of basic banking services and evaluate how the FDIC can be of further assistance to the banking industry and consumers.

"FDIC staff has been working around the clock with other bank regulators, the banking industry and the public. I want to make sure we are doing everything possible to ensure that banks are fully operational and serving their customers and also helping out non-customers in this time of need," said Chairman Powell.

The FDIC and other bank regulators have encouraged banks to help hurricane victims, by waiving ATM fees for customers and non-customers; increasing ATM daily cash withdrawal limits; easing restrictions on cashing out-of-state and non-customer checks; waiving overdraft fees as a result of paycheck interruption; allowing loan customers to defer or skip some payments; and waiving late fees for credit card and other loan balances due to interruption of mail.

The FDIC is reminding consumers to protect their Social Security, bank and credit card numbers and other personal information, especially in response to unsolicited requests from strangers. Fraud artists may try to take advantage of the crisis by tricking victims into divulging personal information.

Consumers with questions about accessing bank accounts, lost records, ATM cards, direct deposit or how to reach their bank can contact the FDIC toll-free at 1-877-ASK-FDIC (1-877-275-3342). The hotline is open 24 hours a day, 7 days a week. The FDIC's Web site, www.fdic.gov, also has helpful consumer information.