



PRESS RELEASE

Federal Deposit Insurance Corporation

FOR IMMEDIATE RELEASE
August 31, 2005

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

Responding to Hurricane Katrina: FDIC Encourages Banks to Work with Those Hit Hard

As people in the path of Hurricane Katrina attempt to put their lives back together in the aftermath of the storm, the Federal Deposit Insurance Corporation has asked banks it regulates to do what they can to assist in the process.

"There are many things consumers and business owners can do now and in the coming weeks to help put their financial houses back in order in the wake of the Hurricane Katrina," said FDIC Chairman Donald Powell. "The FDIC is doing what we can to try to keep this natural disaster from turning into a financial disaster for all the people harmed by Katrina."

The FDIC is working with other bank regulators to take steps to assure continuity of banking services. The FDIC will continue to work with federal and state counterparts, the banking industry and affected banks, identifying customer needs and monitoring institutions' restoration of services.

To date, the FDIC has issued a letter to bankers encouraging them to work with borrowers in the areas hit hard by the storm. In turn, consumers and business owners experiencing difficulties beyond their control should feel free to actively reach out and work with their financial institutions. For example, customers can ask their banks to:

- Extend repayment terms
- Ease terms for new loans including the ability to skip some payments
- Restructure loans
- Obtain short-term loans for living expenses until insurance proceeds are received



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-84-2005

- Waive overdraft fees if the bank was not able to process deposits in a timely manner due to the storm
- Waive fees for using other ATMs if a bank owned system is not available

Each situation is unique; not all banks will be able to provide the options above and some may provide additional services for their customers. The key is for customers to open a dialogue to find out how their bank can help them recover from this natural disaster.

Consumers can also:

- Keep copies of financial transactions. Make sure to retain receipts of transactions conducted with financial institutions.
- Remember all available payment options (checks, credit cards, debit cards, ATMs and teller) in the event one does not work as planned. When making withdrawals, make reasonable decisions based on solid information to minimize the risk of being robbed.
- Be on guard against scams. Protect personal information, including bank account, credit card and Social Security numbers.

Consumers with questions on deposit insurance or other banking related issues can call the FDIC's toll free Consumer Hotline at 1-877-ASK-FDIC (1-877-275-3342).

The FDIC letter to bankers can be found at:

<http://www.fdic.gov/news/news/financial/2005/fil8505.html>.