



PRESS RELEASE

Federal Deposit Insurance Corporation • Each Depositor insured to at least \$250,000

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Media Contact:
David Barr (202) 898-6992
dbarr@fdic.gov

FDIC Expands Bidder List for Troubled Institutions Plan Allows Those Without a Bank Charter to Participate in the Process

The FDIC is establishing a modified bidder qualification process to expand the pool of qualified bidders for the deposits and assets of failing depository institutions. The process will allow interested parties that do not currently have a bank charter to participate in the bid process through which failing depository institutions are resolved.

The FDIC is responsible for ensuring that failing institutions are resolved in a manner that will result in the least cost to the Deposit Insurance Fund and minimal disruption to the financial system. In order to achieve this result, the FDIC markets the deposits and assets of a failing institution to known, qualified, and interested potential bidders. The FDIC recognizes that investors not organized as an FDIC insured depository institution or holding company may potentially be interested in bidding to purchase a failing institution.

In light of the time constraints involved with these types of transactions and consistent with the FDIC's Statement of Policy on Applications for Deposit Insurance, the FDIC may apply modified deposit insurance application processes. The FDIC will consider abbreviated information submissions and applications, and may issue conditional approval for Deposit Insurance, in order to qualify interested parties for the FDIC's failing institution bidders list. Investors that are interested in acquiring the deposits of failing institutions must have conditional approval for a charter from the responsible agency and meet the bid criteria established by the FDIC. In certain cases it would also be necessary to obtain conditional approval to establish a bank or thrift holding company. Federal and State agencies are coordinating on specific information needs and timing requirements and ultimately the granting of a charter and Deposit Insurance.

The basic areas of consideration would include a business plan compliant with the Community Reinvestment Act, readily available capital, and an identified management team subject to financial and biographical review.

Interested parties should contact Associate Director Lisa Arquette or Counsel Catherine Topping in the FDIC's Washington Office. Messages can be left at (202) 898-8515 or sent electronically to ExpBidProcess@FDIC.gov.



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-127-2008**