



PRESS RELEASE

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

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FDIC Chairman Bair Comments on Enactment of Financial Rescue Package

FDIC Chairman Sheila C. Bair said, "The enactment of this legislation should ease fears among the public and financial institutions that have created uncertainty and disruption in the credit markets. As mandated by the statute, the FDIC will consult closely with the Treasury Department on the implementation of this new law.

"I am particularly pleased that the bill includes provisions for loan guarantees and credit enhancements on whole loans. This authority has the potential to permit innovative efforts to facilitate loan modifications and avoid unnecessary foreclosures. It has the ability to create incentives to leverage the private sector with minimal initial cash outlays.

"Temporarily raising the deposit insurance limits should address public confidence issues and provide additional liquidity to banks. As always, any potential borrowings from Treasury to support this additional coverage would need to be paid back from the FDIC's traditional funding mechanism – industry assessments."



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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