



# PRESS RELEASE

Federal Deposit Insurance Corporation

FOR IMMEDIATE RELEASE  
January 10, 2008

**Media Contact:**  
David Barr (202) 898-6992 or  
[dbarr@fdic.gov](mailto:dbarr@fdic.gov)

## **Analytical Case for Loan Modification Reported in FDIC Quarterly Study on Feasibility of Voluntary Excess Deposit Insurance also Featured.**

In the current issue of ***FDIC Quarterly***, released today, the FDIC outlines the analytical case for a systematic and streamlined loan modification process that will help avert foreclosure for borrowers who are current on their loans, but who cannot refinance or afford the higher payments when interest rates reset.

The article – "**The Case for Loan Modification: With a Foreword by Sheila C. Bair, Chairman, Federal Deposit Insurance Corporation**" – also addresses common misconceptions about a streamlined approach to subprime mortgage restructuring.

In another piece, "**Establishing Voluntary Excess Deposit Insurance: Results of the 2006 FDIC Study**," the authors report the results of a congressionally mandated study on the feasibility of establishing a voluntary deposit insurance system for deposits exceeding the maximum amount of FDIC insurance.

This article describes market changes that have reduced the demand for excess deposit insurance and provided depositors with other options to protect excess deposits. The authors also examine two possible approaches available to the FDIC if Congress were to decide the Corporation should play a role in providing excess deposit insurance.

This issue of the ***FDIC Quarterly*** also includes third quarter industry results from the ***Quarterly Banking Profile*** released on November 28, 2007.

The ***FDIC Quarterly*** is available online at the FDIC's Web site at: <http://www.fdic.gov/bank/analytical/quarterly/index.html>



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](http://www.fdic.gov), by subscription electronically (go to [www.fdic.gov/about/subscriptions/index.html](http://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-4-2008