



PRESS RELEASE

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

FOR IMMEDIATE RELEASE
May 5, 2009

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**FDIC Announces Expansion of Ombudsman's Office to Assist
Customers With Loans at Failed Banks
Also Provides Additional Resources to Help Borrowers Understand Bank Failure**

The Federal Deposit Insurance Corporation (FDIC) today announced the creation of a new unit within the Office of the Ombudsman specifically designed to assist customers with loans at failed banks. This new unit will complement the extensive work that the FDIC conducts on behalf of the public, and is another effort to provide effective avenues to address questions or concerns of borrowers of failed banks.

The FDIC's Division of Resolutions and Receiverships (DRR) will continue to have primary responsibility for working closely and proactively with customers of failed banks to address their concerns and transition them to new banking and lending relationships. This new unit will give borrowers an additional venue for having their concerns addressed by the FDIC.

The FDIC has also produced a new "A Borrower's Guide to an FDIC Insured Bank Failure" available at www.fdic.gov/bank/individual/failed/borrowers/index.html.

This comprehensive guide will help inform customers that had loans with failed institutions about what they can expect to occur in the receivership process, including the disposition of loans, workout steps taken on delinquent loans and an explanation of borrower rights. The FDIC is committed to make every effort to ensure that borrowers are aware of the FDIC's resolution process and have information to minimize the impact of their institution closing. This guide will also provide borrowers with the resources to quickly address issues with the FDIC, including contact information for the Ombudsman's Office.

FDIC Chairman Sheila C. Bair said, "I'm pleased to announce these additional resources for borrowers of failed institutions. As the pace of bank failures increases, the FDIC will be handling an increased volume of loans from failed institutions. Each of



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-65-2009

these loans represents a customer relationship. It is critical that these borrowers have the necessary information and avenues of communication available to them from the FDIC."

The FDIC's Office of the Ombudsman, first established in 1993, will continue to serve as an independent and neutral intermediary for customers of failed banks. As the pace of failures increases, additional staffing in the office will help provide service and clear communication between all parties. The FDIC Office of the Ombudsman has a nationwide presence in each of the agency's six regions. The Ombudsman's Office helped resolve more than 1,100 cases in 2008.