



PRESS RELEASE

Federal Deposit Insurance Corporation

October 31, 1995

AT AMERICA'S COMMUNITY BANKERS' CONVENTION FDIC CHAIRMAN SAYS NEW BUSINESSLIKE APPROACH INCREASES EFFICIENCY, REDUCES BUREAUCRACY, CUTS COST

FOR IMMEDIATE RELEASE

BOSTON -- Federal Deposit Insurance Corporation Chairman Ricki Helfer today said retooling and repositioning the FDIC will increase efficiency, reduce bureaucracy and cut costs. This year alone, she said, FDIC positions will be reduced by nearly one-third since 1993 and spending will be reduced by nearly one-fifth.

"I want to run the FDIC the way a business operates -- by striving for greater productivity and enhanced performance, by using rigorous cost/benefit analysis, and by relying on up-to-date management concepts and technology," Chairman Helfer told the convention of America's Community Bankers.

"I have spent the last year looking for ways to make the FDIC more efficient, to get greater productivity and more return for every dollar spent -- and I will continue to do that. This means using the resources of the FDIC more effectively and reviewing everything we do -- as supervisor, insurer, liquidator and employer -- to increase the efficiency of the FDIC and to reduce costs," said Chairman Helfer, whose businesslike approach has brought to the FDIC the first strategic and corporate operating plans in its history.

Chairman Helfer told the convention FDIC expenses would be reduced by about one-fifth this year and positions reduced by more than one-third from the 1993 high of 15,611. "There is more we need to do to reduce staff and expenses as the remaining assets of failed banks and thrift institutions are disposed of, and we will do it," Chairman Helfer said.

I became FDIC Chairman a year ago with the intention of retooling and repositioning the organization," she said. "Our focus cannot be largely on liquidating failed banks, our



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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major role not too many years ago. It is far better to keep bank failures from happening -- so we have to find ways to help banks stay open, operating safely and soundly, and serving customers and communities."

Chairman Helper said she also is directing the agency to study ways to reduce the burden of regulation, which falls disproportionately on small banks. She said reductions have already been made this year in the on-site examination times for safety and soundness, compliance and Community Reinvestment Act (CRA) examinations, but more needs to be done.

Last Updated 07/14/1999

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