



Federal Deposit Insurance Corporation  
550 17th Street NW, Washington, DC 20429-9990

Financial Institution Letter  
FIL-24-2010  
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## Guidance for Financial Institutions Working With Borrowers in the Gulf Coast Region Affected by a "Spill of National Significance"

**Summary:** The FDIC has announced a series of steps intended to provide guidance to financial institutions working with borrowers in the Gulf Coast Region affected by a Spill of National Significance (SONS).

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FDIC-Supervised Banks (Commercial and Savings)

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[Supervisory Practices Regarding Depository Institutions and Borrowers Affected by the Spill of National Significance in the Gulf Coast Region - PDF](#)

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### Note:

FDIC financial institution letters (FILs) may be accessed from the FDIC's Web site at [www.fdic.gov/news/news/financial/2010/index.html](http://www.fdic.gov/news/news/financial/2010/index.html).

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### Highlights:

- Between April 20 and 22, 2010, the Deepwater Horizon Mobile Offshore Drilling Unit in the Gulf of Mexico exploded and sank, resulting in a significant oil spill that has caused substantial business disruption and property damage in the Gulf Coast Region.
- A SONS was declared on April 30, 2010, by the U.S. Department of Homeland Security and is defined as "a spill that, due to its severity, size, location, actual or potential impact on the public health and welfare or the environment, or the necessary response effort, is so complex that it requires extraordinary coordination of federal, state, local, and responsible party resources to contain and clean up the discharge." The SONS designation allows greater federal involvement.
- The FDIC is encouraging banks to work constructively with borrowers experiencing difficulties beyond their control because of damage caused by this SONS.
- Extending repayment terms, restructuring existing loans, or easing terms for new loans, if done in a manner consistent with sound banking practices, can contribute to the health of the community and serve the long-term interests of the lending institution.