

**Remarks by
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During the greatest banking crisis this country has ever faced, President Franklin D. Roosevelt observed: "There is an element in . . . our financial system more important than currency, more important than gold, and that is the confidence of the people."

The FDIC symbol of confidence is what we have in common. When your customers walk into your bank and see this guarantee, they know that the FDIC stands behind your insured deposits. This symbol of confidence sets you apart from your competition, and it grants the smallest bank in the country the same standing as it grants the largest.

Our guarantee means that we have a community of interest - what affects you will likely affect the federal deposit insurance funds. We share the same overarching goal: Maintaining the public's confidence in banking.

At the FDIC, we have long understood what makes community banks special. As FDIC Chairman, I am proud to say that the FDIC has a long history of working with community banks. Speaking for all of us at the FDIC, I want you to know that no one has a greater appreciation for your work than we do. No one believes more than we that community banks will continue to play a very dynamic role in the financial services industry. And no one knows better than we how essential you are to maintaining public confidence.

Today I ask you to continue to work with the FDIC to maintain public confidence. We have a job to do, and we must do it together. That job is reassuring the public that their money will be safe in the Year 2000.

As a nation we have always worked together to meet important challenges. Year 2000 is just one more challenge we must work to meet together.

This morning I want to talk with you about what you are doing to reassure the public. I want to talk with you about what we at the FDIC are doing. And I want to talk with you about what else we can do.

Why the urgency?

Just last week, USA Today reported that a Gallup Poll found that 55 percent of adult Americans say that banking systems will fail come January 1. That finding is similar to

one in a Gallup Poll three months ago. It hasn't gotten worse. But it hasn't gotten much better, either.

Public understanding of the FDIC's guarantee and the banking industry's Y2K preparations will help maintain public confidence.

Bankers have a good story to tell. But you've got to tell it - no one is going to tell it for you. You have to tell it consistently, and you have to tell it again and again. Public confidence will be strengthened by regular, consistent communications. With all the information flooding the public every day, people must hear a message three times before they understand it. And bank customers need to be assured of ready access to cash and other funds and services, and that their bank records are secure.

What's the story?

It begins with the fact that the FDIC and other banking agencies have aggressively supervised the Y2K preparations of banks and savings institutions, and we will continue to. Thousands of examiners have been in every bank in the country at least once - and by the end of March, it will be twice - to make sure that banks are making progress. The banking agencies' latest figures show that the overwhelming majority of banks and savings institutions are making satisfactory progress at this time toward becoming Y2K ready. Any problem banks will receive strict supervisory attention.

In addition, many experts say that banks are the best prepared of any industry for the date change.

And by the end of June - six months ahead of the event -- we will have a good idea of how ready every bank and savings institution is for January 1 - and beyond.

No one can say there won't be glitches, but we are confident that the overwhelming majority of banks are carefully and thoroughly preparing themselves for January 1.

To reassure the public, to reassure your customers, all the facts and numbers need a human face - and a human voice. Your face. Your voice.

Don't wait for misleading or false information to surface. Take your message to the community now.

Your friends and neighbors - your customers -- trust you., and because they do, you should tell them: What the Y2K issue is, what it means to your bank, and what your bank is doing about it. The progress your bank has made and when you expect to complete your preparations. And your bank's plans on how you will serve customers if there is an unanticipated disruption from Y2K problems. In short, you should make clear what you are doing to ensure that the people in your community have access to their money, and you should make clear what you are doing to ensure that customers continue to receive accurate information on their accounts.

Use every opportunity to get your message out, to make the facts known. Think creatively. Do you advertise? Put your message there. You have signs. Put your message on them, and put a taped message about your preparations on your telephone system so that callers can listen to it while they're on hold.

Make it easy for customers to get the information they need: establish a Y2K hotline, and include Y2K information in your monthly and quarterly statements.

The first employees your customers talk with are your tellers. Train them to answer Y2K questions, as well as to give your bank's message. And consider training for all the other employees you have who deal with customers.

Consider displays in your lobby and outside your bank and on your ATMs.

Take your show on the road: Give presentations to civic organizations, church groups, and retirement communities. And open the bank after hours to customers to talk about your readiness. Make sure you invite opinion leaders, including the clergy. They have a pulpit week after week.

One banker told us that his institutions held a breakfast on the Year 2000 issue. Seventy-five people attended. Another banker told us how her institution sponsored a seminar with a local newspaper and university. A month before the seminar, they worked together to launch a publicity campaign that included newspaper advertisements and articles and letters to all business customers and members of the local chamber of commerce. Other bankers are thinking about opening their doors on January 1.

And Viking Community Bank in Seattle - an IBAA member -- is so confident that it is Y2K ready that it has promised senior citizens that if their Social Security payments don't arrive in their bank accounts the first week of January, the bank will cover them with interest-free loans.

It pays to be creative.

A good place to start is the IBAA's Y2K communications kit, and with the educational materials the FDIC has produced, such as the issue of the FDIC Consumer News devoted to Y2K. It is the most comprehensive guide available on Y2K and banking. It includes questions and answers on the Y2K issue, a customer's Y2K "to-do" list, and government resources for Y2K help and information, and it gives good advice - practical tips consumers can use. Also, don't forget our pamphlet: "The Year 2000 Date Change." It's available in English and in Spanish.

Your story is reassuring.

An important part of your story - perhaps the most important part of your story -- is to point out that the Y2K date change will not affect federal deposit insurance.

Money is safe in an FDIC-insured account, no ifs, ands, or buts.

How reassuring is that message?

Few people know more about consumer finance than Jane Bryant Quinn. In writing about the Y2K issue recently, she asked: "Would I take savings out of the bank, lose the interest it's earning and risk total loss if I had a fire?" And she answered: "My money stays put, where it's FDIC-insured." If that guarantee is good enough for her, it should be good enough for anyone.

Our guarantee is an important part of the story the FDIC has to tell, as well.

Currently, we are working to determine more precisely the nature and magnitude of public concerns. We will target those concerns, and we will use the means that are most effective in getting our story out.

To that end:

We hope to work with the Conference of State Bank Supervisors to arrange briefings in major media markets where the FDIC and state regulators will talk to the media about our assessments and our actions.

We are trying to partner with national consumer organizations to provide speakers for their meetings and educational materials for their members.

Our community affairs people in our regional offices are seeking similar partnerships with local consumer organizations, and we have created a speaker's bureau of senior staff in our regional and field offices who are addressing civic and other groups on the Y2K issue.

In addition, I am personally encouraging everyone who works at the FDIC - more than 7,000 men and women throughout the country - to tell our story to family, to friends, and to their associates in business, civic, community and faith-based organizations. We will train our employees to carry the FDIC message. We, too, need to put a human face on the FDIC story. Our own.

We have an ambitious program ahead of us, but nothing is more critical than maintaining public confidence.

In good times, it may be easy to forget that stability is a goal, not a given. For 66 years - in good times and in bad -- deposit insurance has protected depositors from losses. It has maintained economic stability and promoted economic growth. It has given three generations of Americans confidence in our banking system.

We don't just insure people's money.

We insure that they have some stability in their lives, and we insure their dreams.

From Maine to my home state of Hawaii, our symbol of confidence is the first thing people see when they walk into a bank. It gives millions of people peace of mind.

When people see this emblem, they know that the FDIC is there for them, just as we were there for their parents, and their grandparents.

There are few guarantees in life. We offer one of them. In an uncertain world -- particularly in the face of Y2K -- people can have faith in federal deposit insurance and in FDIC-insured institutions like yours. Let's make sure the public understands that.

Thank you.

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