



Regulatory Relief

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September 30, 1996

TO: CHIEF EXECUTIVE OFFICER
SUBJECT: *Steps to Help Rebuild Areas Affected by Hurricane Fran*

The Federal Deposit Insurance Corporation has announced a series of steps intended to facilitate the process of rebuilding the area damaged by Hurricane Fran in the mid-Atlantic region.

As noted in the attached guidelines, the FDIC is encouraging state-chartered banks to work constructively with borrowers who are experiencing difficulties due to conditions beyond their control. The guidelines suggest that extending repayment terms, restructuring existing loans or easing terms for new loans, if done in a manner consistent with sound banking practices, can both contribute to the health of the community and serve the long-term interests of the lending institution. The guidelines also address other types of regulatory relief.

For guidance on these and related matters, please contact the FDIC Division of Supervision's Atlanta Regional Office at (404) 817-1300.

Nicholas J. Ketcha Jr.
Director

Distribution: FDIC-Supervised Banks (Commercial and Savings)

Note: Paper copies of FDIC financial institution letters may be obtained through the FDIC's Public Information Center, 801 17th Street, N.W., Room 100, Washington, D.C. 20434 ((703) 562-2200).