



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

Division of Supervision

Special Alert

FIL-06-97
January 29, 1997

TO: CHIEF EXECUTIVE OFFICER AND COMPLIANCE OFFICER
SUBJECT: *Steps to Help Rebuild Areas Affected by Flooding*

The Federal Deposit Insurance Corporation has announced a series of steps intended to facilitate the process of rebuilding the area damaged by flooding in the western states.

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 San Francisco Regional Office at (415) 546-0160.

Nicholas J. Ketcha Jr.
Director

[Attachment](#): Supervisory practices regarding depository institutions and borrowers affected by flooding in the Western states.

Distribution: FDIC-Supervised Banks (Commercial and Savings) in the San Francisco Region

Note: Paper copies of FDIC financial institution letters may be obtained through the FDIC's Public Information Center, 801 17th St., NW, Room 100, Washington, D.C. 200434 ((703) 562-2200 or 800-276-6003)