



Regulatory Relief

FIL-104-98
October 1, 1998

TO: CHIEF EXECUTIVE OFFICER

SUBJECT: *Steps to Help Rebuild Areas Affected by Hurricane Georges*

The Federal Deposit Insurance Corporation (FDIC) has announced a series of steps intended to facilitate the process of rebuilding areas in the U.S. Virgin Islands, the Commonwealth of Puerto Rico and the Gulf of Mexico Coastal Region of the United States damaged by Hurricane Georges.

As noted in the attached guidelines, the FDIC is encouraging 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:

* Assistant Regional Director Daniel L. Dionne or Case Manager James J. Griffin in the New York Regional Office at (212) 704-1200,

* Assistant Regional Director James R. Shumaker or Case Manager Russell S. Marshall in the Atlanta Regional Office at (404) 817-1300, or

* Assistant Regional Director Joseph M. McGovern or Case Manager Thomas H. Price in the Memphis Regional Office at (901) 685-1603.

Nicholas J. Ketcha Jr.
Director

[Attachment:](#) Supervisory Practices Regarding Depository Institutions and Borrowers Affected by Hurricane Damage

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, NW, Room 100, Washington, DC 20434 (800-276-6003 or (703) 562-2200).